

CITY OF GENEVA, ILLINOIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
April 30, 2025

Prepared by the Finance Department

Jennifer Milewski
Finance Director

CITY OF GENEVA, ILLINOIS
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INTRODUCTORY SECTION



October 8, 2025

Kevin R. Burns, Mayor

Anais Bowring, Ward 1

Mike Bruno, Ward 1

Brad Kosirog, Ward 2

Richard Marks, Ward 2

Dean Kilburg, Ward 3

Becky Hruby, Ward 3

Martha Paschke, Ward 4

Amy Mayer, Ward 4

William Malecki, Ward 5

Robert C. Swanson, Ward 5

Stephanie K. Dawkins,

City Administrator

Mayor Kevin R. Burns
Members of the City Council
City Administrator
Citizens of the City of Geneva, Illinois

The Annual Comprehensive Financial Report (ACFR) of the City of Geneva, Illinois, for the fiscal year ended April 30, 2025, is hereby submitted. State law requires all local governments to conduct an annual audit in accordance with generally accepted auditing standards. The audit must include all accounts and funds of the City and be completed within six months of fiscal year-end. In addition, the City is required to issue financial statements prepared in conformity with generally accepted accounting principles (GAAP). This report provides a complete and transparent presentation of the City's financial position and activities for the fiscal year.

Management assumes full responsibility for the accuracy, completeness, and reliability of the information contained in this report. To that end, the City maintains a comprehensive system of internal controls designed to provide reasonable assurance that the financial statements are free of material misstatement. Because the cost of internal controls should not exceed their expected benefits, the City's system is designed to provide reasonable, rather than absolute, assurance of financial integrity.

The City of Geneva's financial statements have been audited by Sikich CPA LLC, licensed certified public accountants. The independent auditor issued an unmodified ("clean") opinion for the year ended April 30, 2025. The auditor's report appears at the beginning of the financial section of this report. Management's Discussion and Analysis (MD&A), which immediately follows the auditor's report, offers additional narrative and analysis to complement this letter and should be read in conjunction with it.

Government Profile

The City of Geneva, founded in 1835, is located in Kane County in the Fox River Valley, approximately 40 miles west of Chicago. Geneva serves a population of 21,393 (2020 Census) within an area of 9.75 square miles. As a non-home rule community under the Illinois Constitution, the City may levy property taxes and extend its corporate boundaries through annexation.

The City operates under a mayor-council form of government. Policy and legislative authority rest with the governing council, which consists of the Mayor and ten alderpersons elected by ward. The Mayor is elected at-large and, with Council approval, appoints the City Administrator and Department Heads.

The City of Geneva provides a full range of municipal services, including police and fire protection; water and sewer service; electric service; snow removal and street maintenance; traffic control; on- and off-street parking; building inspections, licensing, and permitting; cemetery maintenance; water and sewer service; and electric service. Solid waste collection, leaf removal, and recycling are provided through contracted services. The City employs approximately 150 full-time staff members. Recreation services are provided by the Geneva Park District and library services by the Geneva Public Library, both independent units of local government.

The City's financial reporting includes all funds of the primary government as well as its fiduciary pension trust funds: the Police Pension Fund and the Firefighters' Pension Fund. These are reported as pension trust funds due to their fiduciary relationship with the City, as their sole purpose is to provide retirement benefits for sworn public safety personnel.

Budgetary Control

The City adopts an annual budget in compliance with the Illinois Budget Act. The City Administrator serves as Budget Officer and oversees a process that begins each September with the distribution of instructions to departments. Department Heads submit proposed budgets in December, and the draft budget is prepared in January for Council review. Revisions are made through Committee of the Whole and City Council meetings, with a required public hearing held before final adoption in February. The budget must be adopted before the fiscal year begins on May 1.

The budget is prepared by fund and department and includes prior-year actual results, current year budget and projections, and proposed appropriations for the upcoming year. The Budget Officer may transfer appropriations between departments within a fund; however, changes to total fund appropriations require City Council approval. Expenditures may not exceed appropriations at the fund level. Budget-to-actual comparisons are provided in this report for each budgeted fund.

Factors Affecting Financial Conditions

The financial information presented in this report is best understood in the context of the local environment in which the City operates.

Economic Overview

The economic landscape of the City of Geneva in fiscal year 2024–2025 was influenced by several significant developments at the global, national, and state levels, particularly concerning taxation policies.

Global Economy

The global economy experienced moderate growth in 2024, with projections indicating a slight slowdown in 2025. Factors such as ongoing trade tensions, geopolitical uncertainties, and inflationary pressures contributed to this deceleration. Advanced economies faced slower growth, while emerging markets exhibited more resilience, albeit at a reduced pace compared to previous years.

U.S. Economy

The U.S. economy showed signs of moderation in 2024, with growth projections for 2025 indicating a continued slowdown. Factors such as higher tariffs, inflationary pressures, and tighter financial conditions have influenced business investment and consumer spending. The Federal Reserve has maintained a cautious monetary policy aimed to balance inflation control with economic growth, impacting interest rates and labor market conditions.

Illinois Economy

In August 2024, Illinois Governor J.B. Pritzker signed legislation repealing the state's 1% grocery tax, effective January 1, 2026. This measure was intended to reduce the financial burden on residents. In response, municipalities were given the option to impose local grocery taxes to offset lost revenue. The City of Geneva enacted a 1% local grocery tax to ensure continuity of essential services, aligning with similar actions by neighboring communities.

Illinois' economy faced a mixed performance in 2024. Kane County's unemployment rate in April 2024 was 5.0%, slightly above the statewide rate of 4.6%, but substantially improved from the 17.1% peak during the COVID-19 pandemic. The state's revenue collection has remained robust, with individual income and investment income bolstering fiscal performance despite broader economic challenges.

Local Economy Development

The City of Geneva, a western suburb of Chicago, serves as the county seat of Kane County and is home to over 1,100 businesses. Major employers include food industry companies such as General Mills, Roquette America, Hearthside Food Solutions, Northern Illinois Food Bank, and FONA International, as well as long-standing manufacturers like Burgess Norton, Miner Enterprises, and Clarios.

Geneva is also recognized for its historic downtown, which attracts visitors with unique shops and dining experiences. Local amenities include the Geneva Commons lifestyle shopping center, regional trail systems along the Fox River, and the Kane County Cougars independent league baseball, all contributing to tourism and economic vitality.

The City's equalized assessed valuation (EAV) has steadily increased from 2016 through 2024 and is projected to rise again in 2025. For the 2024 levy year, taxable EAV increased 11.3% to \$1,382,322,984, driven in part by \$7.6 million in new construction. Geneva maintains a balanced land use mix, with approximately 77% residential, 17% commercial, and 6% industrial property.

Sales tax revenues have strengthened in recent years, particularly following the State's "Leveling the Playing Field" legislation, which requires remote retailers to remit state and local sales tax. In fiscal year 2025, state-shared sales tax accounted for 27.5% of total General Fund revenues.

The City continues to pursue economic development initiatives to expand its non-residential tax base. Several large industrial developments are under construction or in planning, including projects by Hillwood, Prologis, Venture One, and Midwest Industrial Fund. Collectively, these facilities could add more than 4.6 million square feet of industrial space within the City.

Bond Rating

The long-term financial outlook for the City of Geneva remains very positive, supported by a strong equalized assessed valuation (EAV) and a high median family income. In January 2024, Moody's Investors Service upgraded the City's underlying bond rating to Aa1, citing Geneva's healthy financial position, affluent wealth and income profile, and solid tax base.

The City continues to advance its strategic goals, plan for future needs, and maintain financial strength, ensuring long-term stability and fiscal sustainability.

Long-Term Financial Planning and Major Initiatives

The General Fund ended the year with an unrestricted fund balance equal to 58.2% of General Fund expenditures, well above the City Council's policy guideline of 25% (three months of expenditures). This strong position reflects Geneva's conservative financial management and long-standing commitment to maintaining reserves that safeguard service delivery and provide flexibility to address future challenges.

For fiscal year 2026, the City has adopted a Capital Improvement Program (CIP) totaling \$49.9 million. Key projects include:

- \$10.3 million for Southeastern Master Plan Feeders
- \$6.0 million for water main replacements
- \$6.6 million for street improvements
- \$6.1 million for the Sanitary Sewer River Crossing
- \$1.5 million for parking lot acquisition

Additional funding will support building improvements, vehicle and equipment replacements, and continued upgrades to the water and sewer systems.

These planned investments demonstrate Geneva's commitment to responsible long-term planning, ensuring that essential infrastructure is modernized and maintained while preserving the City's strong financial foundation.

Relevant Financial Policies

The City of Geneva has adopted a comprehensive set of financial policies that establish the framework for responsible fiscal management. These policies guide the decision-making process of the City Council and the Administration, providing a consistent basis for evaluating current operations. The policies provide guidelines for evaluating both current activities and proposals for future programs and budgets.

Financial policies aid the City by improving financial management, financial position, and the credit worthiness of the City. They also serve to ensure all financial transactions conducted by or on behalf of the City are made in a manner and method which provides for the most proficient and effective management of the financial resources and funds of the City. Several examples include: Fund Balance Policy (25% of operating expenditures); Investment Policy; Debt Policy; and Internal Control Policy.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City for its annual budget document dated May 1, 2025, the fifteenth consecutive year. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The GFOA awarded the Award for Outstanding Achievement to the City of Geneva for its Popular Annual Financial Report (PAFR) for the ninth time for the fiscal year ended April 30, 2024. The PAFR is a summary of the Comprehensive Annual Financial Report issued by the City and is meant to communicate financial information to residents in an easy, condensed fashion.

The GFOA awarded a Certificate of Achievement in Financial Reporting to the City of Geneva for its Annual Comprehensive Financial Report for the fiscal year ended April 30, 2024. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized document, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City received the Certificate of Achievement for the twelfth consecutive year, and we believe our current report continues to conform to the Certificate of Achievement program requirements. We are submitting the report to GFOA to determine its eligibility for another certificate.

The preparation of the report on a timely basis was made possible by the efficient and dedicated service of the entire staff of the Finance Department and the assistance provided by other staff in the Administrative Services Department. I especially would like to thank the Finance Department staff's Heather Collins, Kim Hillquist, Jessica Noe, Ronald Manual, and Susan Hendrickson for their dedication and support and the leadership provided by City Administrator Stephanie Dawkins.

Respectfully submitted,



Jennifer Milewski
Finance Director

CITY OF GENEVA, ILLINOIS

OFFICERS AND OFFICIALS

APRIL 30, 2025

LEGISLATIVE

City Council

Kevin R. Burns, Mayor
Vicki Kellick, City Clerk
Jennifer Milewski, Treasurer

Anaïs Bowring	Ward 1	Dean Kilburg	Ward 3
Mike Bruno	Ward 1	Martha Paschke	Ward 4
Richard Marks	Ward 2	Amy Mayer	Ward 4
Brad Kosirog	Ward 2	William Malecki	Ward 5
Becky Hruby	Ward 3	Robert Swanson	Ward 5

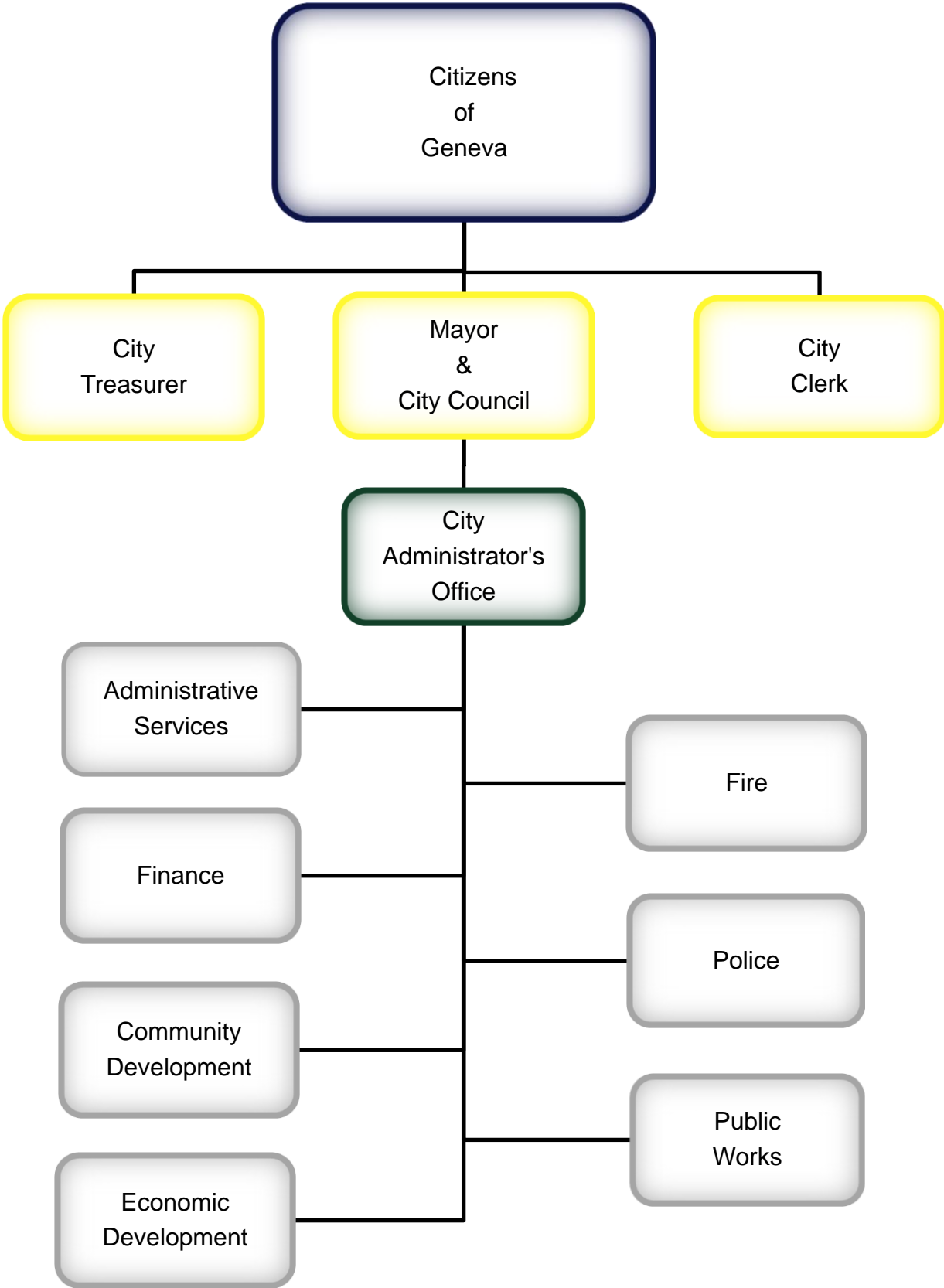
EXECUTIVE

Stephanie K. Dawkins, City Administrator

FINANCE DEPARTMENT

Vacant, Finance Director
Heather Collins, CPA, Accounting Supervisor
Susan Hendrickson, Accounts Payable Specialist
Kimberly Hillquist, Accounts Receivable Specialist
Jessica Noe, Utility Billing Specialist
Ronald Manual, Administrative Analyst

ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Geneva
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Geneva, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Geneva, Illinois (the City) as of and for the year ended April 30, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Geneva, Illinois, as of April 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
October 8, 2025

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor
Members of the City Council
City of Geneva, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Geneva, Illinois (the City) as of and for the year ended April 30, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 8, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich CPA LLC

Naperville, Illinois
October 8, 2025

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF GENEVA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended April 30, 2025

As management of the City of Geneva, we present this narrative overview and analysis of the City's financial activities for the fiscal year ended April 30, 2025. The intent of this discussion is to provide readers with both a short-term and long-term perspective on the City's financial performance. We encourage readers to review this information in conjunction with the additional detail provided in the Letter of Transmittal (i-vi of this report) and the accompanying financial statements.

This discussion and analysis will highlight key trends, explain significant variances, and provide context for the numbers presented in the City's financial statements. Specifically, the MD&A addresses the following:

- Government-Wide Highlights – An overview of financial position and results of operations for both governmental and business-type activities.
- Fund-Level Highlights – A more detailed analysis of financial performance within the City's major governmental and proprietary funds.
- Capital Assets and Long-Term Debt – A review of the City's investment in infrastructure and equipment, as well as changes in outstanding debt.
- Economic Factors and Next Year's Budget – A summary of local economic conditions and considerations that influenced the fiscal year 2026 budget.

By design, this overview is intended to assist readers in understanding the City's financial condition, interpreting major financial trends, and evaluating the City's ability to meet future obligations.

Financial Highlights

- The City's total net position at April 30, 2025 was \$221.4 million, an increase of \$23.9 million or 12.1% compared to the prior year. Of this amount, \$151.2 million relates to business-type activities and \$70.2 million to governmental activities.
- Governmental Activities reported an increase in net position of \$9.9 million in fiscal year 2025, bringing the year-end balance to \$70.2 million. The increase is primarily the result of stronger-than-expected revenues combined with expenditures coming in below budget.
- Business-type activities closed the fiscal year with an ending net position of \$151.2 million, reflecting a \$14.0 million increase from the prior year. This growth was driven primarily by the Electric Fund and the Waterworks and Sewerage Fund, which reported a change in net position of approximately \$3.9 million and \$10.1 million, respectively.
- General Fund unassigned fund balance was \$12.4 million, and total fund balance closed at \$13.2 million. Unassigned fund balance represents approximately 57.9% of total General Fund expenditures while total fund balance represents approximately 61.6% of that same amount.

- Governmental activities continue to reflect a deficit balance of \$7.9 million in unrestricted net position albeit a \$1.3 million improvement from the prior year. Business-type activities also reflect a decrease in unrestricted net position of \$1.8 million from the prior year to close at \$15.4 million.

Overview of the Financial Statements

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Government-wide financial statements are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns reflecting a total for the Primary Government. The City's Annual Comprehensive Financial Report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses accounting similar to full accrual accounting used in the private sector. Inter-fund activity is eliminated and the cost of assets with a long service life are spread out over future years so that capital expenses are amortized (through depreciation) when the benefits are realized.

The first of these government-wide statements is the *Statement of Net Position*. This is the City-wide statement of position presenting information that includes all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. The focus of the Statement of Net Position, the Unrestricted Net Position, is designed to be similar to the bottom-line results for the City and its governmental and business-type activities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities* which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, development, highways and streets, and interest. Business-type activities reflect private sector-type operations where the fee for service typically covers all or most of the cost of operation, including depreciation. The City's business-type activities include electric, water and sewer

utilities, refuse, parking, and cemetery. Fiduciary activities, such as employee pension plans, are not included in the government-wide statements since these assets are not available to fund City programs.

The government-wide financial statements are presented on pages 7-10 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining schedules in a later section of this report. The funds of the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decision. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to assist in understanding the differences between these two perspectives.

The City maintains 16 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund which is the City's major fund. Data from the other governmental funds are combined into a single, aggregate presentation. Budgetary comparison statements are included in the basic financial statements for the General Fund. Budgetary comparison schedules for other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's budget.

The basic governmental fund financial statements are presented on pages 11-15 of this report.

Proprietary funds reported in the fund financial statements are for those services for which the City charges customers a fee. There are two kinds of proprietary funds: enterprise, and internal service. Enterprise funds encompass the same functions reported as business-type activities in the government-wide statements. Enterprise fund services are primarily provided to customers external to the City organization. The City uses enterprise funds to account for electric, water and wastewater services, refuse, commuter lot parking, and cemetery services. Internal service funds

provide services and charge fees to customers within the City organization such as equipment maintenance or insurance. The City uses internal service funds to account for employee dental insurance, workers' compensation claims, and compensated absences.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail for the major enterprise funds.

The basic proprietary fund financial statements are presented on pages 16-20 of this report.

Fiduciary funds such as the employee pension plans are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City programs. Fiduciary fund financial statements are reported similar to proprietary funds. The City uses fiduciary funds to account for the police pension plan, the firefighters' pension plan, and Tri-Com Central Dispatch.

The basic fiduciary fund financial statements are presented on pages 21-22 of this report.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, including information regarding the City's progress in funding its pension benefit obligations to its employees and budget information beginning on page 76.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for nonmajor funds are in a subsequent section of this report beginning on page 95.

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Geneva, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$221.4 million, at the close of the most recent fiscal year.

Condensed Statement of Net Position
(In millions*)

Category	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Current assets	\$52.3	\$54.2	\$53.9	\$47.7	\$106.2	\$101.9
Capital assets	56.8	65.3	140.9	159.4	197.7	\$224.7
<i>Total assets</i>	\$109.1	\$119.5	\$194.8	\$207.1	\$303.9	\$326.6
Deferred outflows of resources	11.8	8.2	3.8	2.7	15.6	10.9
Total assets and deferred outflows of resources	\$120.9	\$127.7	\$198.6	\$209.8	\$319.5	\$337.5
Current liabilities	4.6	3.9	5.6	5.5	10.2	9.4
Noncurrent liabilities	43.8	42.1	53.9	51.5	97.7	93.6
<i>Total liabilities</i>	48.4	46.0	59.5	57.0	107.9	103.0
Deferred inflows of resources	12.2	11.5	1.9	1.5	14.1	13.0
Total liabilities and deferred inflows of resources	\$60.6	\$57.5	\$61.4	\$58.5	\$122.0	\$116.0
Net Position						
Net investment in capital assets	56.1	64.4	119.5	135.3	175.6	199.7
Restricted	13.4	13.6	0.5	0.5	13.9	14.1
Unrestricted (deficit)	(9.2)	(7.9)	17.2	15.4	8.0	7.5
Total net position	\$60.3	\$70.2	\$137.2	\$151.2	\$197.5	\$221.4

Table 1 - *Variation in values may occur due to rounding.

The largest portion of net position (90.2%) reflects the investment in capital assets including land, buildings, infrastructure, and equipment, less any related debt used to acquire those assets that is still outstanding. Although the City's investment in its capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the liabilities.

An additional portion of the City's net position (6.4%) represents resources subject to external restrictions on how they may be used, for example, Motor Fuel Tax Fund revenues. Of the \$221.4 net position, \$42.0 million reflects the net pension liabilities for the City's IMRF, Police and Firefighters pension plans, and the total OPEB liability for other post-employment benefit plan.

Governmental activities continue to reflect a deficit balance of \$7.9 million in unrestricted net position, albeit there was a \$1.3 million improvement from the prior year. Business-type activities also reflect a decrease in unrestricted net position of \$1.8 million from the prior year to close at \$15.4 million.

Condensed Statement of Activities
(In millions) *

Category	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Revenues						
Program revenues						
Charge for services	\$1.7	\$1.6	\$47.7	\$46.8	\$49.4	\$48.4
Operating grants and contributions	1.0	1.1	-	-	1.0	1.1
Capital grants and contributions	1.1	4.6	12.2	12.7	13.3	17.3
General revenues						
Taxes	15.5	16.1	-	-	15.5	16.1
Intergovernmental	10.6	11.1	0.6	0.3	11.2	11.4
Investment income and miscellaneous	2.2	2.2	0.8	2.1	3.0	4.3
Total revenues	\$32.1	\$36.7	\$61.3	\$61.9	\$93.4	\$98.6
Expenses						
General government	3.0	3.5	-	-	3.0	3.5
Public works	0.8	1.5	-	-	0.8	1.5
Economic development	0.4	0.6	-	-	0.4	0.6
Community development	0.9	1.3	-	-	0.9	1.3
Public safety	16.9	17.3	-	-	16.9	17.3
Highway and streets	2.3	2.6	-	-	2.3	2.6
Waterworks and sewerage	-	-	11.0	11.9	11.0	11.9
Electric	-	-	35.0	34.8	35.0	34.8
Other	-	-	1.1	1.2	1.0	1.2
Total expenses	\$24.3	\$26.8	\$47.1	\$47.9	\$71.4	\$74.7
Changes in net position	7.8	9.9	14.2	14.0	22.0	23.9
Net position, May 1	52.5	60.3	123.0	137.2	175.5	197.5
Net position, April 30	\$60.3	\$70.2	\$137.2	\$151.2	\$197.5	\$221.4

Table 2 - *Variation in values may occur due to rounding.

Governmental Activities reported an increase in net position of \$9.9 million in fiscal year 2025, bringing the year-end balance to \$70.2 million. The increase is primarily the result of stronger-than-expected revenues combined with expenditures coming in under budget. Additional detail is provided in the General Fund financial statements on page 89 of this report.

Sales tax revenues rose 6.9% (\$447,437) over the prior year, reflecting continued local consumer activity and the positive effect of state legislation requiring remote sellers to remit local sales tax. State income tax distributions also improved, increasing 6.2% (\$215,851) year-over-year.

The City's investment portfolio outperformed budget expectations, generating returns \$125,284 above budget. In addition, building permit activity was higher than projected, resulting in revenues \$54,359 above budget.

Overall, the growth in sales tax, income tax, investment earnings, and permit revenues demonstrate the strength of the City’s diversified revenue base and its continued ability to support service delivery while maintaining fiscal stability.

Business-type activities closed the fiscal year with an ending net position of \$151.2 million, reflecting a \$14.0 million increase from the prior year. This growth was driven primarily by the Electric Fund and the Waterworks and Sewerage Fund, which reported a change in net position of approximately \$3.9 million and \$10.1 million, respectively. Additional details are provided on pages 112–113 of this report.

- Electric Fund reported a \$3.9 million increase in net position, compared to \$3.4 million in fiscal year 2024.
- Waterworks and Sewerage fund operating revenues for fiscal year increased 5.7% over the prior year, driven primarily by an increase in charges for service of \$630,606 (5.6%), reflecting the May 2024 rate adjustment.

Overall, business-type activities demonstrated solid financial performance, with utility rate adjustments and developer contributions providing stability and capacity to support ongoing operations and future infrastructure investment.

Financial Analysis of Governmental Funds

Governmental Funds

Governmental funds are reported using a short-term perspective that focuses on inflows and outflows of spendable resources. This approach is useful for assessing the resources available at year-end in comparison to upcoming financing requirements. Within this framework, unassigned fund balance is an important measure of resources available for discretionary use, as it represents the portion of fund balance not limited by external parties, legal requirements, or Council action.

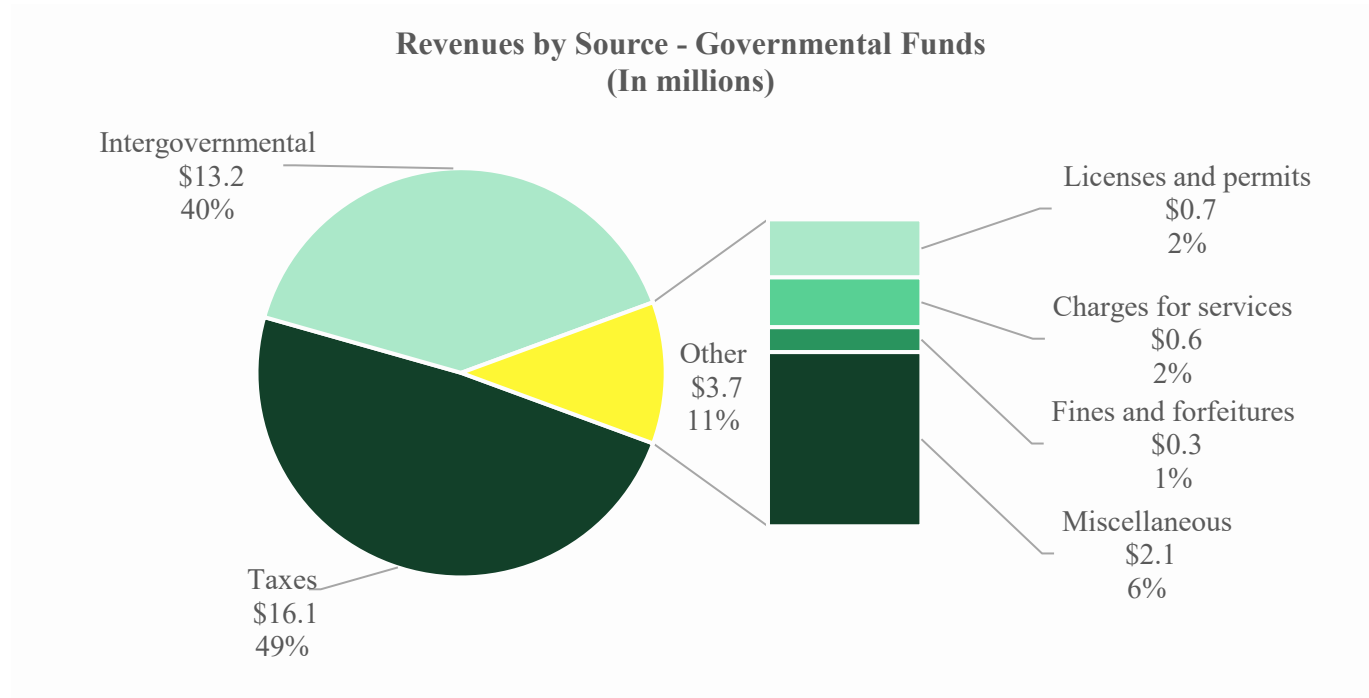
As of April 30, 2025, the City of Geneva’s governmental funds reported combined ending fund balances of \$37.5 million, an increase of \$2.4 million from the prior year. Of this total, approximately 32.4% (\$12.1 million) constitutes unassigned fund balance, available for discretionary spending. The remaining fund balance is:

1. Nonspendable - \$0.7 million
2. Restricted - \$13.4 million
3. Assigned - \$11.2 million

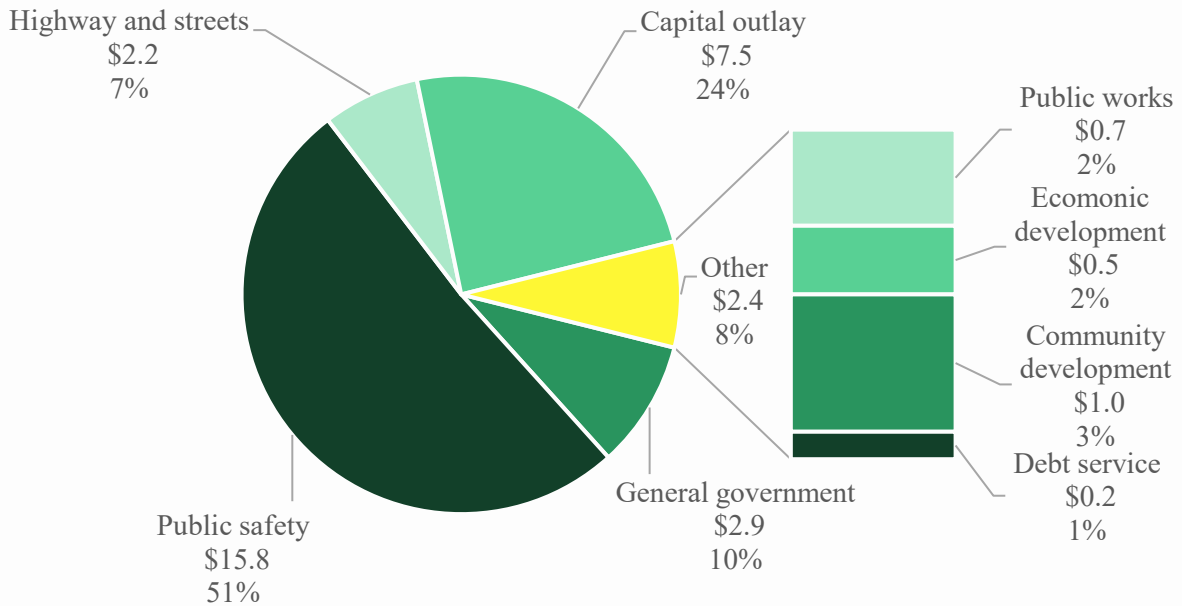
The increase in fund balance was driven primarily by the General, Motor Fuel Tax, ARPA, Tourism, Restricted Police Fines, TIF #2, and Prairie Green funds.

- In the General Fund, revenues exceeded expenditures by \$3.8 million, due largely to higher sales tax, income tax, and investment income. To support current and future capital needs, the City transferred \$4.7 million to the Infrastructure Capital Projects, General Capital Projects, and Capital Equipment funds.
- The Motor Fuel Tax Fund grew as state-shared allotments exceeded budget expectations while expenditures were held lower, allowing reserves to build for the upcoming Kautz Road project.
- The ARPA Fund balance increased as federal relief dollars were invested, with spending planned in fiscal year 2026.
- The Tourism Fund reported growth due to reduced contractual payments, while the Restricted Police Fines Fund increased as expenditures came in lower than revenues.

Overall, the increase in governmental fund balances of \$2.4 million reflects strong revenue performance, disciplined spending, and strategic resource management. These results position the City to continue delivering essential services while supporting planned capital projects and maintaining financial flexibility.



Expenses by Program - Governmental Funds (In millions)



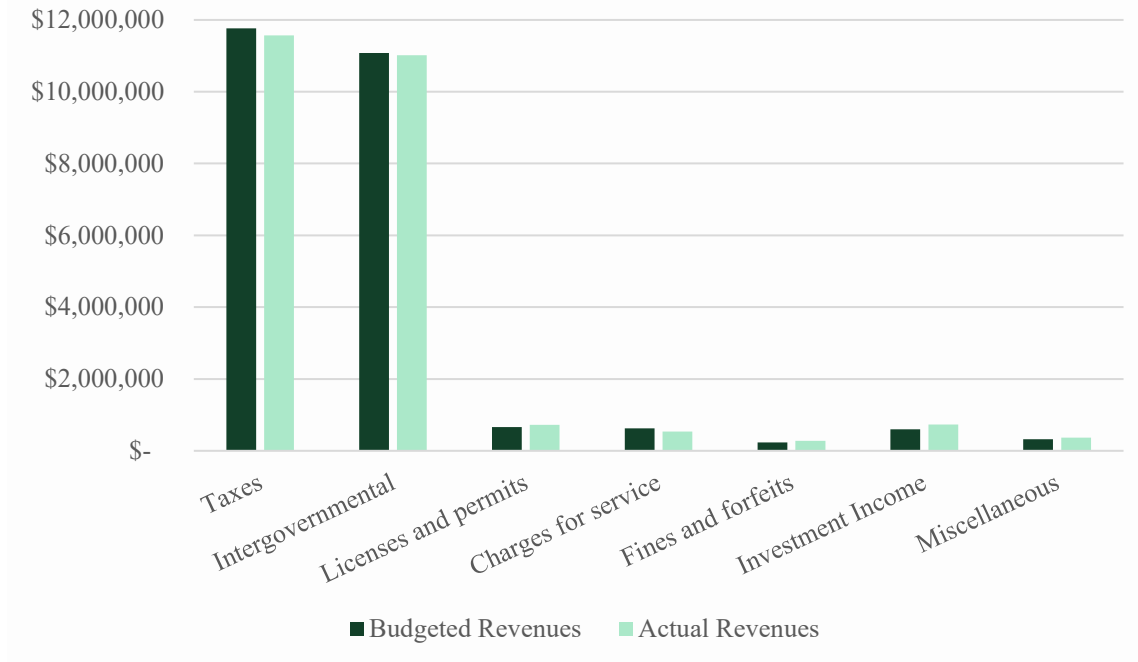
General Fund

The General Fund is the chief operating fund of the City of Geneva. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12.4 million, and total fund balance closed at \$13.2 million. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 57.9% of total General Fund expenditures while total fund balance represents approximately 61.6% of that same amount.

General Fund Budgetary Highlights

Revenues totaled \$25.2 million for fiscal year 2025 or 99.8% of budgeted revenues for the General Fund.

General Fund Revenues by Classification FY2025 Budget vs. Actual



The most significant variations, positive and negative, between budgeted revenues and actual revenues were as follows:

Revenue Source	Budgeted Revenues	Actual Revenues	Difference (\$)	Difference (%)
Sales tax	\$6,300,000	\$6,949,165	\$649,165	10.3%
State income tax	3,400,000	3,781,198	381,198	11.2%
Non-home rule sales tax	2,800,000	2,950,014	150,014	5.4%
Interest income	600,000	735,299	135,299	22.5%
Federal grants	2,760	97,865	95,105	3445.8%
Building permits	429,400	489,796	60,396	14.1%
General government fees	445,140	352,314	(92,826)	(20.9%)
Utility tax natural gas	675,000	504,069	(170,931)	(25.3%)
Local use tax	850,000	559,085	(290,915)	(34.2%)
State grants	1,197,070	107,746	(1,089,324)	(91.0%)

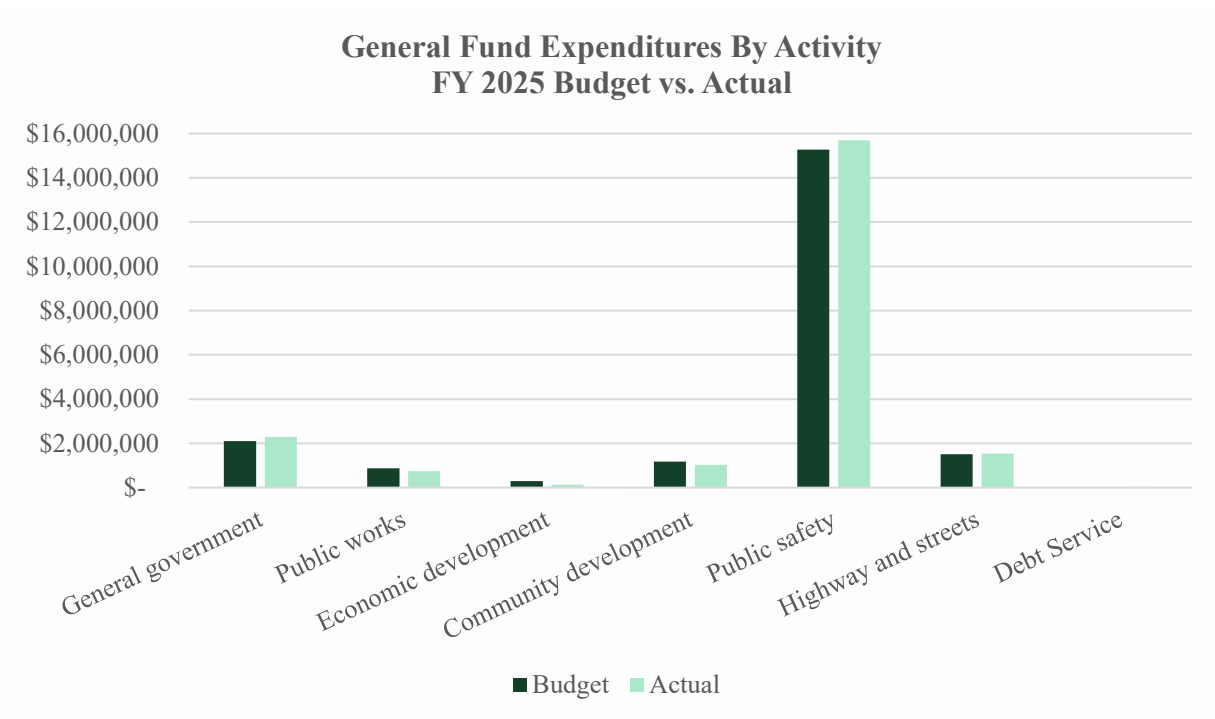
Table 3

- Sales tax revenues outperformed the budget by \$649,165 (10.3%), reflecting continued strength in local retail activity and the impact of the State’s “Leveling the Playing Field” legislation requiring remote sellers to collect and remit sales tax. Similarly, non-home rule sales tax revenues came in \$150,014 (5.4%) above budget.
- State income tax revenues exceeded estimates by \$381,198 (11.2%), benefiting from stronger statewide employment and wage growth.

- Interest income totaled \$735,299, which was \$135,299 (22.5%) above budget, driven by higher investment yields.
- Federal grants also significantly exceeded expectations, finishing \$95,105 (3,445.8%) above budget, largely due to ARPA reimbursements of project obligations.
- Building permits produced revenues of \$489,796, which was \$60,396 (14.1%) higher than projected, reflecting continued development activity in the community.

Overall, the City’s General Fund revenues exceeded budget expectations in fiscal year 2025, supported by strong consumer activity, favorable interest earnings, and unanticipated grant receipts.

Expenditures totaled \$21.4 million. When compared to the final budget, there is a \$0.2 million variance. The variance is primarily related to personnel charges within the Fire Department as overtime costs were higher than anticipated.



Activity	Original Budget	Final Budget	Actual Expenditures	Difference (\$) Final vs Actual
General government	\$2,098,392	\$2,098,392	\$2,284,753	(\$186,361)
Community development	1,177,765	1,177,765	1,024,389	153,376
Economic development	1,371,160	289,160	137,890	151,270
Public safety	15,526,618	15,268,347	15,688,110	(419,763)
Highway and streets	1,702,064	1,510,809	1,529,920	(19,111)
Public works	869,976	869,976	747,850	122,126
Debt service	-	-	26,104	(26,104)
Total	\$22,745,975	\$21,214,449	\$21,439,016	(\$224,567)

Table 4

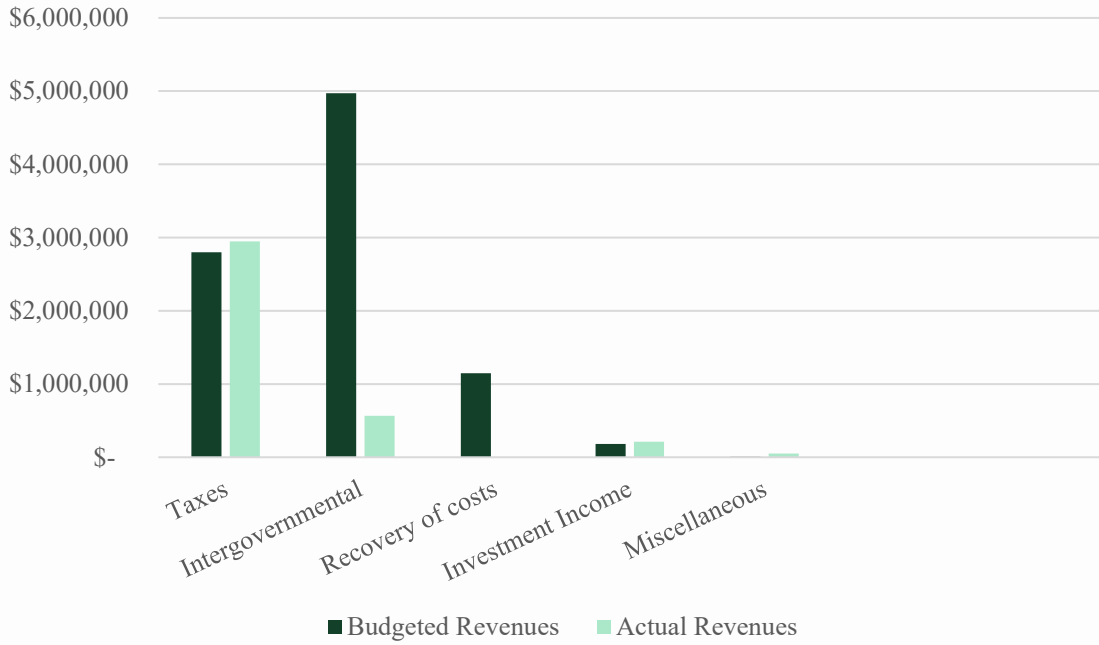
Original budget compared to the final budget. The City Council approved a budget amendment to modify the original General, SSA #16, Refuse, Workers Compensation, Police Pension, and Firefighters Pension funds budgeted appropriations. The amendment decreased the use fund balance for related expenditures for the funding of future building improvements and repairs, landscape maintenance, garbage disposal, cover increased costs related to general insurance premiums, pension payments for unexpected retirements, respectfully. Budget adjustments were made throughout the year to move appropriations within departments.

Infrastructure Capital Projects Fund

During fiscal year 2025, the Infrastructure Capital Projects Fund was reclassified as a major fund due to the significance of its financial activity and fund balance relative to the City’s overall governmental operations. This change reflects the City’s ongoing investment in infrastructure improvements, including roadway reconstruction, stormwater management, bridge and culverts improvement projects. The increased expenditures and funding sources—primarily from non-home rule sales tax, grants, and transfers from other funds—elevated the Infrastructure Capital Projects Fund to a level that warrants separate presentation in the financial statements. Designating it as a major fund provides greater transparency and allows readers to more clearly assess the City’s long-term capital planning and infrastructure investment efforts.

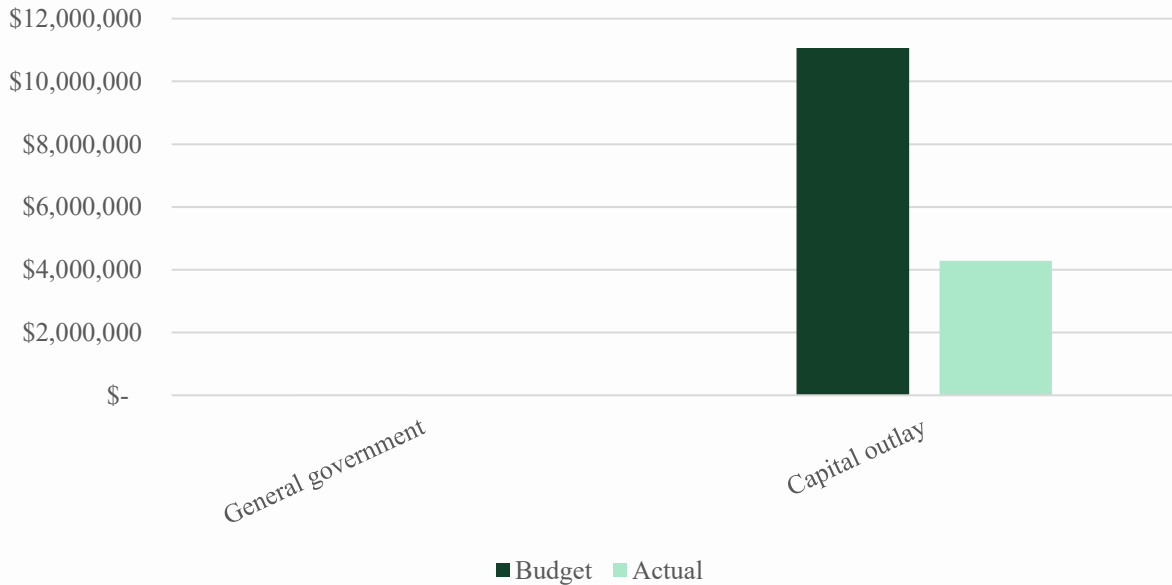
Revenues totaled \$3.8 million for fiscal year 2025, representing 41.5% of budgeted revenues for the Infrastructure Capital Fund. Non-home rules sales tax revenues exceeded budget expectations by \$150,014, reflecting stronger local economic activity. However, grant revenues were significantly below budgeted levels due to project delays, resulting in a \$4.4 million variance from budget amounts.

Infrastructure Capital Revenues by Classification FY2025 Budget vs. Actual



Expenditures totaled \$4.2 million. When compared to the final budget, there is a \$6.8 million variance. The variance is due to project delays for the Kautz Road project.

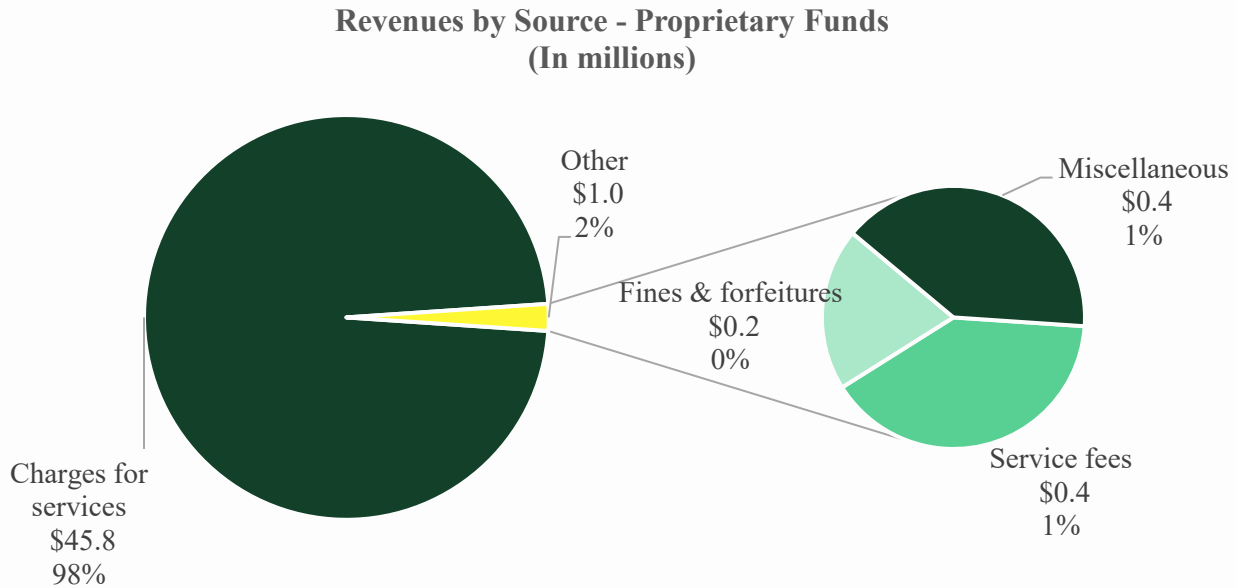
Infrastructure Capital Fund Expenditures By Activity FY 2025 Budget vs. Actual



Financial Analysis of Proprietary Funds

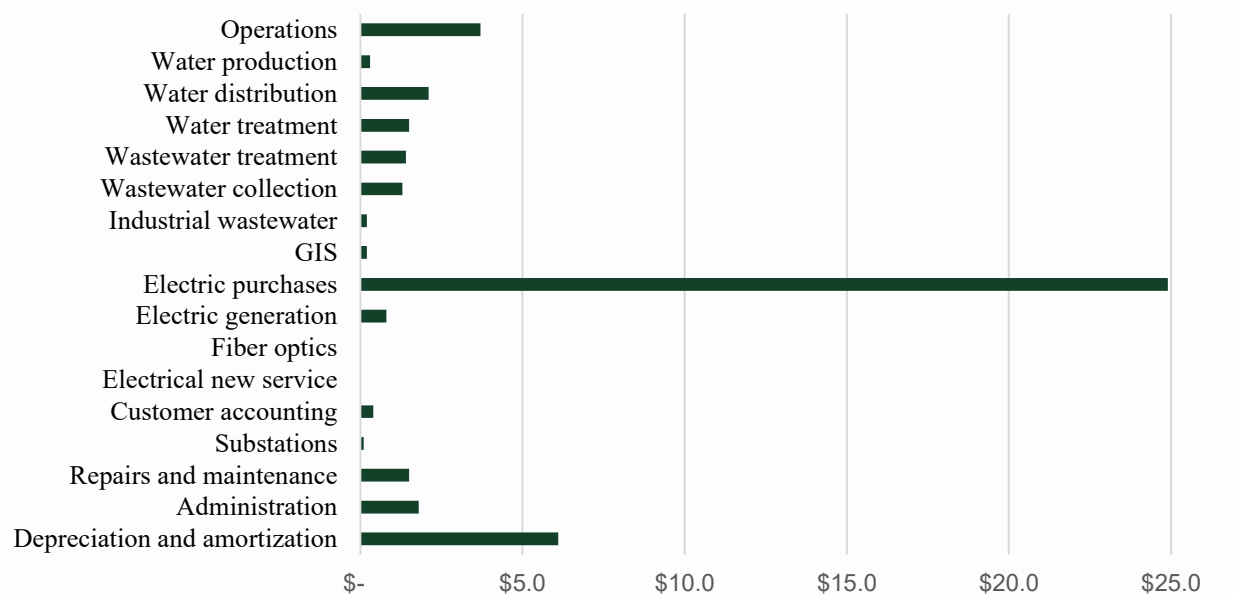
Proprietary Funds

The City of Geneva's proprietary fund statements share the same financial focus as the government-wide statements, reporting both short-term operating results and long-term financial position. The City maintains five enterprise funds and three internal service funds, all intended to be self-supporting through user fees and charges.



Combined total operating revenues were \$46.8 million as of April 30, 2025 for business-type activities. Charges for services totaled \$45.8 million while service fees and miscellaneous totaled \$1.0 million.

**Expenses by Program - Proprietary Funds
(In millions)**



Combined total operating expenses were \$46.3 million as of fiscal year end, reflecting total operating income of \$0.5 million for business-type activity.

Major Proprietary Funds

The following analysis highlights significant changes in revenues, expenses, and net position for the Electric Fund and the Waterworks and Sewerage Fund, which are the City’s major enterprise funds.

Electric Fund reported a \$3.9 million increase in net position, compared to \$3.4 million in fiscal year 2024. Net position growth was supported by developer-contributed capital assets, which increased 11.3% over the prior year. Key projects contributing to these donations included the expansions projects for General Mills and FONA, as well as Hillwood Fox Valley Commerce, and Illinois Rt 38 Logistics.

Charges for services decreased 4.3% from prior year, primarily due to adjustments in power supply costs. Overall electricity consumption remained stable between the two fiscal years, indicating that the change was driven by the cost of purchased power rather than a reduction in customer usage.

Operating expenses in the Electric Fund increased nearly \$3.4 million from the prior year, largely due to higher operation and maintenance costs (up 32.9% from prior year), and capital outlay investments (up 101.3% from prior year).

Waterworks and Sewerage Fund operating revenues for fiscal year increased 5.7% over the prior year, driven primarily by an increase in charges for service of \$630,606 (5.7%), reflecting the May 2024 rate adjustment. The fund also benefited from significant developer-contributed capital assets

totaling \$9.3 million, including infrastructure from Northwestern Medicine, General Mills and FONA expansions, as well as Hillwood Fox Valley Commerce and Illinois Rt 38 Logistics.

Operating expenses remained flat at \$11.0 million, consistent with fiscal year 2024.

Together, the Electric Fund and the Waterworks and Sewerage Fund account for the majority of the City’s proprietary fund activities. Both funds contributed to a combined net position increase of \$14.0 million for fiscal year 2025. Strong financial performance was driven by a combination of strategic rate adjustments, stable consumption, developer-contributed capital assets, and controlled operating expenses.

Capital Assets and Debt Administration

Capital Assets for governmental and business-type activities totals \$224.5 million (net of accumulated depreciation) with \$65.3 million in governmental activities and \$159.4 million in business-type activities. Capital assets include land, buildings, equipment, and infrastructure. Capital assets have a useful life greater than one year with an initial, individual cost of more than \$50,000 for streets, bridges, and storm sewers, electric and water and sewer infrastructure; \$20,000 for sidewalks; and \$5,000 for all other capital assets.

Condensed Capital Assets (In millions) *

Category	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Tangible capital assets						
Land	\$15.0	\$15.5	\$2.0	\$2.0	\$17.0	\$17.5
Construction in progress	2.1	3.3	3.6	12.2	5.7	15.5
Buildings	6.8	6.5	-	-	6.8	6.5
Machinery and equipment	0.5	1.0	-	-	0.5	1.0
Vehicles	2.3	3.2	-	-	2.3	3.2
Land improvements	1.3	1.3	-	-	1.3	1.3
Infrastructure	28.8	34.4	-	-	28.8	34.4
Electric system, buildings, & equipment	-	-	38.4	41.9	38.4	41.9
Water & sewer plant, systems, & sewers	-	-	88.6	95.5	88.6	95.5
Commuter parking lots and vehicles	-	-	8.2	7.8	8.2	7.8
Total tangible capital assets	56.8	65.2	140.8	159.4	197.6	224.6
Intangible capital assets						
Vehicles	0.1	0.1	0.1	-	0.2	0.1
Total intangible capital assets	0.1	0.1	0.1	-	0.2	0.1
Total capital assets	\$56.9	\$65.3	\$140.9	\$159.4	\$197.8	\$224.7

Table 5 - *Variation in values may occur due to rounding.

Major capital asset events during the current fiscal year included the following:

- Upgrading or adding substations were in progress as of year-end. Expenditures as of year-end total \$7.9 million.
- Acceptance of contributed capital of \$3.6 million of streets, \$3.4 million of electric infrastructure, and \$9.3 million for water, sewer, and storm sewer infrastructure.
- Annual road maintenance totaling \$2.5 million.
- Vehicle purchases totaling \$0.9 million citywide.

Additional information on the City of Geneva’s capital assets can be found in Note 4 on pages 36-38 of this report.

Long-Term Debt for City of Geneva totaled \$93.5 million at fiscal year-end. Debt consists of the following: \$33.8 million general alternate revenue obligation bonds and \$8.8 million in notes payable. Of the \$33.8 million in general alternate revenue obligation bonds, the Electric fund maintains \$27.6 million for Geneva Business Park III, Old Kirk Road, and Kautz Road infrastructure projects. The IMRF, Police, and Firefighters’ Pension funds pension liabilities decreased by \$1.7 million due favorable returns on investment income. As a non-home rule government, under Illinois law, the City is limited in issuing debt.

In January 2024, Moody’s Investors Service upgraded the City’s underlying bond rating to Aa1, citing Geneva’s healthy financial position, affluent wealth and income profile, and solid tax base.

Condensed Long-Term Debt
(In millions) *

Category	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
General obligation alternate revenue bonds	\$ -	\$ -	\$35.6	\$33.8	\$35.6	\$33.8
Unamortized (discount) premium	-	-	3.7	3.5	3.7	3.5
IEPA loan	-	-	9.4	8.8	9.4	8.8
Installment contract	0.7	0.5	-	-	0.7	0.5
Leases	0.1	0.1	-	-	0.1	0.1
Compensated absences	2.5	2.6	1.0	1.2	3.5	3.8
Net pension liability	37.9	36.2	1.9	1.8	39.8	38.0
Asset retirement obligation	-	-	1.0	1.0	1.0	1.0
Total OPEB liability	2.6	2.6	1.3	1.3	3.9	3.9
Total long-term debt	\$43.8	\$42.0	\$53.9	\$51.5	\$97.7	\$93.5

Table 6 - *Variation in values may occur due to rounding.

Additional information on the City of Geneva’s long-term debt can be found in Note 5 on pages 39-44 of this report.

Economic Factors and Next Year's Budgets and Rates

The City of Geneva is primarily a residential community with a diverse revenue base that provides vital resources to support its municipal services. The General Fund is largely supported by sales taxes from two major shopping districts, state shared income tax, building permits, utility taxes, and property taxes.

Property taxes are anticipated to increase as several commercial and industrial developments near completion namely, the addition of Geneva Business Park III and the southeast master plan area. The City's equalized assessed valuation (EAV) has steadily increased from 2016 through 2024 and is projected to rise again in 2025. For the 2024 levy year, taxable EAV increased 11.3% to \$1,382,322,984, driven in part by \$7.6 million in new construction. Geneva maintains a balanced land use mix, with approximately 77% residential, 17% commercial, and 6% industrial property.

Sales tax revenues have strengthened in recent years, particularly following the State's "Leveling the Playing Field" legislation, which requires remote retailers to remit state and local sales tax. This legislation has become pivotal to the city as retailers struggle to keep brick and mortar businesses open. In fiscal year 2025, state-shared sales tax accounted for 27.6% of total General Fund revenues.

Overall, the City's financial position remains strong. The General fund's fund balance as of April 30, 2025 is 61.9% of the fund's total operating expenditures. The electric and water utilities have implemented annual increases through April 30, 2028 to ensure adequate funding for aging infrastructures. With the solid fund balance, the City has positioned itself to remain financially resilient through uncertain market changes.

The FY 2026 balanced budget was passed in February 2025 totaling \$142.7 million in revenue and \$140.4 in expenses. Throughout the first quarter of fiscal year 2026, the supply chain and inflation still dominate expenses. As the economy continues to rebound, the City has budgeted to do more capital projects, purchase vehicles, and purchase capital equipment that had previously been delayed due to supply chain issues.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have any questions about this report or would like to request additional financial information, contact the City's Finance Director at the City of Geneva, 15 S. 1st Street, Geneva, Illinois 60134 or access the City's website at www.geneva.il.us.

BASIC FINANCIAL STATEMENTS

CITY OF GENEVA, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 39,779,435	\$ 16,415,979	\$ 56,195,414
Cash and investments - restricted	-	22,864,760	22,864,760
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	7,777,817	-	7,777,817
Other taxes	151,228	-	151,228
Accounts	83,641	5,557,898	5,641,539
Leases	908,407	814,662	1,723,069
Accrued interest	299,144	215,672	514,816
Other	1,421,147	106,994	1,528,141
Prepaid expenses	10,136	17,868	28,004
Inventories	221,771	1,741,924	1,963,695
Due from other governments	3,505,326	-	3,505,326
Capital assets (tangible and intangible)			
Not depreciated	18,796,580	14,167,784	32,964,364
Depreciated and amortized (net of accumulated depreciation and amortization)	46,503,036	145,206,271	191,709,307
Total assets	119,457,668	207,109,812	326,567,480
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	123,458	123,458
Asset retirement obligation	-	757,980	757,980
Pension items	6,888,912	1,310,345	8,199,257
OPEB items	1,327,416	557,745	1,885,161
Total deferred outflows of resources	8,216,328	2,749,528	10,965,856
Total assets and deferred outflows of resources	127,673,996	209,859,340	337,533,336

(This statement is continued on the following page.)

CITY OF GENEVA, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2025

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 679,958	\$ 3,889,696	\$ 4,569,654
Retainage payable	-	512,164	512,164
Accrued payroll	783,762	321,739	1,105,501
Accrued interest payable	722	438,284	439,006
Deposits payable	39,758	-	39,758
Due to others	53,837	253,741	307,578
Unearned revenue	1,408,947	134,117	1,543,064
Claims payable	932,646	-	932,646
Long-term liabilities			
Due within one year	1,599,035	2,918,742	4,517,777
Due in more than one year	40,510,067	48,615,499	89,125,566
Total liabilities	46,008,732	57,083,982	103,092,714
DEFERRED INFLOWS OF RESOURCES			
Pension items	1,055,689	4,498	1,060,187
OPEB items	1,722,785	713,019	2,435,804
Leases	954,354	811,544	1,765,898
Deferred property taxes	7,777,817	-	7,777,817
Total deferred inflows of resources	11,510,645	1,529,061	13,039,706
Total liabilities and deferred inflows of resources	57,519,377	58,613,043	116,132,420
NET POSITION			
Net investment in capital assets	64,440,095	135,276,963	199,717,058
Restricted for			
Highways and streets	4,808,265	-	4,808,265
Public safety	448,595	-	448,595
Capital projects	5,217,066	-	5,217,066
Subdivision maintenance	387,607	-	387,607
Economic development	1,618,523	-	1,618,523
Special purposes	1,105,794	-	1,105,794
Perpetual care	-	519,801	519,801
Unrestricted (deficit)	(7,871,326)	15,449,533	7,578,207
TOTAL NET POSITION	\$ 70,154,619	\$ 151,246,297	\$ 221,400,916

See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 3,532,430	\$ 1,073,097	\$ 97,865	\$ -
Public works	1,514,762	15,686	-	-
Economic development	613,725	-	-	-
Community development	1,268,494	35,935	-	-
Public safety	17,333,385	456,417	84,775	-
Highways and streets	2,574,268	-	966,934	4,559,332
Interest	17,753	-	-	-
Total governmental activities	26,854,817	1,581,135	1,149,574	4,559,332
Business-Type Activities				
Waterworks and sewerage	11,867,234	12,403,671	-	9,343,918
Electric	34,838,669	33,391,451	-	3,396,295
Commuter parking	510,507	357,546	-	-
Refuse	612,537	566,781	-	-
Cemetery	82,243	95,885	-	-
Total business-type activities	47,911,190	46,815,334	-	12,740,213
TOTAL PRIMARY GOVERNMENT	\$ 74,766,007	\$ 48,396,469	\$ 1,149,574	\$ 17,299,545

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (2,361,468)	\$ -	\$ (2,361,468)
	(1,499,076)	-	(1,499,076)
	(613,725)	-	(613,725)
	(1,232,559)	-	(1,232,559)
	(16,792,193)	-	(16,792,193)
	2,951,998	-	2,951,998
	(17,753)	-	(17,753)
	<u>(19,564,776)</u>	<u>-</u>	<u>(19,564,776)</u>
	-	9,880,355	9,880,355
	-	1,949,077	1,949,077
	-	(152,961)	(152,961)
	-	(45,756)	(45,756)
	-	13,642	13,642
	<u>-</u>	<u>11,644,357</u>	<u>11,644,357</u>
	<u>(19,564,776)</u>	<u>11,644,357</u>	<u>(7,920,419)</u>
General Revenues			
Taxes			
Property	7,371,064	-	7,371,064
Non-home rule sales	5,900,028	-	5,900,028
Utility	1,794,763	-	1,794,763
Hotel/motel	343,219	-	343,219
Local use	559,085	-	559,085
Other	123,945	-	123,945
Intergovernmental			
State shared income tax	3,718,198	-	3,718,198
State shared sales tax	6,949,165	-	6,949,165
Replacement tax	141,828	-	141,828
American Rescue Plan Act	302,568	294,228	596,796
Investment income	1,595,150	1,998,770	3,593,920
Miscellaneous	484,065	6,395	490,460
Gain on sale of capital assets	129,441	69,614	199,055
Total	<u>29,412,519</u>	<u>2,369,007</u>	<u>31,781,526</u>
CHANGE IN NET POSITION	9,847,743	14,013,364	23,861,107
NET POSITION, MAY 1	<u>60,306,876</u>	<u>137,232,933</u>	<u>197,539,809</u>
NET POSITION, APRIL 30	<u>\$ 70,154,619</u>	<u>\$ 151,246,297</u>	<u>\$ 221,400,916</u>

See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2025

	General	Infrastructure Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 13,408,594	\$ 4,141,208	\$ 17,297,454	\$ 34,847,256
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	6,418,292	-	1,359,525	7,777,817
Other taxes	151,228	-	-	151,228
Accounts	60,975	-	-	60,975
Leases	875,499	-	32,908	908,407
Accrued interest	82,371	60,604	74,609	217,584
Other	69,306	608,026	743,815	1,421,147
Prepaid items	10,136	-	-	10,136
Inventory	221,771	-	-	221,771
Due from other funds	-	-	2,650,000	2,650,000
Due from other governments	2,693,560	734,445	77,321	3,505,326
Advances to other funds	488,906	-	-	488,906
TOTAL ASSETS	\$ 24,480,638	\$ 5,544,283	\$ 22,235,632	\$ 52,260,553

(This statement is continued on the following page.)

CITY OF GENEVA, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

April 30, 2025

	General	Infrastructure Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 228,726	\$ 99,821	\$ 312,469	\$ 641,016
Accrued payroll	766,437	-	17,325	783,762
Deposits payable	39,758	-	-	39,758
Unearned revenue	215,986	227,396	965,565	1,408,947
Due to other funds	2,650,000	-	-	2,650,000
Due to other governments	53,837	-	-	53,837
Advances from other funds	-	-	488,906	488,906
Total liabilities	3,954,744	327,217	1,784,265	6,066,226
DEFERRED INFLOWS OF RESOURCES				
Leases	899,368	-	54,986	954,354
Unavailable property taxes	6,418,292	-	1,359,525	7,777,817
Total deferred inflows of resources	7,317,660	-	1,414,511	8,732,171
Total liabilities and deferred inflows of resources	11,272,404	327,217	3,198,776	14,798,397
FUND BALANCES				
Nonspendable				
Prepaid items	10,136	-	-	10,136
Inventory	221,771	-	-	221,771
Advances to other funds	488,906	-	-	488,906
Restricted				
Highways and streets	-	-	4,576,358	4,576,358
Public safety	-	-	448,595	448,595
Capital projects	-	5,217,066	-	5,217,066
Subdivision maintenance	-	-	387,607	387,607
Economic development	-	-	1,618,523	1,618,523
Special purposes	27,817	-	1,077,977	1,105,794
Assigned				
Special purpose	28,809	-	-	28,809
Capital projects	-	-	11,216,798	11,216,798
Unassigned (deficit)	12,430,795	-	(289,002)	12,141,793
Total fund balances	13,208,234	5,217,066	19,036,856	37,462,156
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 24,480,638	\$ 5,544,283	\$ 22,235,632	\$ 52,260,553

See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 37,462,156
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	65,299,616
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Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date (IMRF only) are recognized as deferred outflows and inflows of resources on the statement of net position

Illinois Municipal Retirement Fund	1,056,651
Police Pension Fund	3,366,748
Firefighters' Pension Fund	1,409,824
Total other postemployment benefit liability	(395,369)

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds

Interest payable	(722)
Compensated absences payable	(1,388,105)
Installment contract payable	(509,475)
Total other postemployment benefit liability	(2,615,192)
Leases payable	(100,614)
Net pension liability for the Police Pension Fund	(24,098,541)
Net pension liability for the Firefighters' Pension Fund	(10,665,750)
Net pension liability for the Illinois Municipal Retirement Fund	(1,484,884)

The net position of the internal service funds are included in the governmental activities in the statement of net position	<u>2,818,276</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 70,154,619</u></u>
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See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2025

	General	<i>(Formerly Nonmajor)</i> Infrastructure Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 11,566,311	\$ 2,950,014	\$ 1,575,779	\$ 16,092,104
Intergovernmental	11,014,802	564,378	1,669,301	13,248,481
Licenses and permits	719,482	-	-	719,482
Charges for services	539,698	-	16,987	556,685
Fines and forfeitures	273,114	-	31,854	304,968
Investment income	735,299	210,329	649,522	1,595,150
Miscellaneous	363,884	50,550	69,631	484,065
Total revenues	25,212,590	3,775,271	4,013,074	33,000,935
EXPENDITURES				
Current				
General government	2,284,753	194	592,205	2,877,152
Public works	747,850	-	-	747,850
Economic development	137,890	-	406,132	544,022
Community development	1,024,389	-	18,935	1,043,324
Public safety	15,688,110	-	108,022	15,796,132
Highways and streets	1,529,920	-	642,262	2,172,182
Capital outlay	-	4,286,901	3,171,562	7,458,463
Debt service				
Principal retirement	25,120	-	200,213	225,333
Interest and fiscal charges	984	-	17,000	17,984
Total expenditures	21,439,016	4,287,095	5,156,331	30,882,442
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,773,574	(511,824)	(1,143,257)	2,118,493
OTHER FINANCING SOURCES (USES)				
Transfers in	-	416,907	4,650,000	5,066,907
Transfers (out)	(4,650,000)	-	(416,907)	(5,066,907)
Lease issuance	109,965	-	-	109,965
Sale of capital assets	-	-	129,441	129,441
Total other financing sources (uses)	(4,540,035)	416,907	4,362,534	239,406
NET CHANGE IN FUND BALANCES	(766,461)	(94,917)	3,219,277	2,357,899
FUND BALANCES, MAY 1, AS REPORTED	13,974,695	-	21,129,562	35,104,257
Change within financial reporting entity	-	5,311,983	(5,311,983)	-
FUND BALANCES, MAY 1, AS RESTATED	13,974,695	5,311,983	15,817,579	35,104,257
FUND BALANCES, APRIL 30	\$ 13,208,234	\$ 5,217,066	\$ 19,036,856	\$ 37,462,156

See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,357,899
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	6,587,192
Contributions of capital assets are reported only in the statement of activities governmental activities	3,572,184
Some expenses associated with capital assets do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(1,614,165)
Amortization	(77,821)
The issuance of long-term debt is reported as an other financing source in governmental funds, but as an increase in debt outstanding on the statement of activities	
Leases payable	(109,965)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	225,333
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Change in accrued interest payable	231
Change in compensated absences	(66,616)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred inflows/outflows are only reported only in the statement of activities	(565,680)
The change in the Police Pension Fund net pension liability and deferred inflows/outflows are only reported only in the statement of activities	(552,892)
The change in the Fire Pension Fund net pension liability and deferred inflows/outflows are only reported only in the statement of activities	(36,539)
The change in the total other postemployment benefit liability and deferred inflows/outflows are reported only in the statement of activities	57,560
The change in net position of internal service funds is reported with governmental activities	<u>71,022</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 9,847,743</u>

See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2025

	Business-Type Activities				Governmental
	Electric	Waterworks and Sewerage	Nonmajor Funds	Total	Internal Service Funds
CURRENT ASSETS					
Cash and investments	\$ 11,528,511	\$ 2,013,665	\$ 2,873,803	\$ 16,415,979	\$ 4,932,179
Receivables - net of allowances					
Accounts	4,047,498	1,442,322	68,078	5,557,898	22,666
Leases	-	814,662	-	814,662	-
Accrued interest	212,643	3,029	-	215,672	81,560
Other	106,994	-	-	106,994	-
Prepaid expenses	13,031	3,857	980	17,868	-
Inventory	1,593,437	148,487	-	1,741,924	-
Total current assets	17,502,114	4,426,022	2,942,861	24,870,997	5,036,405
NONCURRENT ASSETS					
Restricted cash and investments	22,864,760	-	-	22,864,760	-
Capital assets					
Nondepreciable	10,764,785	3,374,334	28,665	14,167,784	-
Depreciable and amortizable	85,007,428	165,157,159	13,312,307	263,476,894	-
Accumulated depreciation and amortization	(43,079,457)	(69,705,212)	(5,485,954)	(118,270,623)	-
Net capital assets	52,692,756	98,826,281	7,855,018	159,374,055	-
Total noncurrent assets	75,557,516	98,826,281	7,855,018	182,238,815	-
Total assets	93,059,630	103,252,303	10,797,879	207,109,812	5,036,405
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	123,458	-	123,458	-
Asset retirement obligation	-	757,980	-	757,980	-
Pension items - IMRF	675,089	610,142	25,114	1,310,345	-
OPEB items	306,105	251,640	-	557,745	-
Total deferred outflows of resources	981,194	1,743,220	25,114	2,749,528	-
Total assets and deferred outflows of resources	94,040,824	104,995,523	10,822,993	209,859,340	5,036,405

(This statement is continued on the following page.)

CITY OF GENEVA, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2025

	Business-Type Activities				Governmental
	Electric	Waterworks and Sewerage	Nonmajor Funds	Total	Internal
					Service Funds
CURRENT LIABILITIES					
Accounts payable	\$ 3,339,525	\$ 494,325	\$ 55,846	\$ 3,889,696	\$ 38,942
Retainage payable	505,914	6,250	-	512,164	-
Accrued payroll	162,856	154,346	4,537	321,739	-
Accrued interest payable	241,105	197,179	-	438,284	-
Due to others	251,441	2,300	-	253,741	-
Unearned revenue	66,221	1,229	66,667	134,117	-
Compensated absences payable	249,373	273,858	8,107	531,338	1,246,541
Claims payable	-	-	-	-	932,646
Other postemployment benefit liability	39,878	34,814	-	74,692	-
Lease liability	926	-	-	926	-
IEPA loan payable	-	546,786	-	546,786	-
General obligation bonds payable	-	1,765,000	-	1,765,000	-
Total current liabilities	4,857,239	3,476,087	135,157	8,468,483	2,218,129
LONG-TERM LIABILITIES					
Compensated absences payable	288,617	369,589	13,652	671,858	-
Other postemployment benefit liability	651,128	570,522	-	1,221,650	-
Net pension liability - IMRF	945,428	854,471	35,170	1,835,069	-
Asset retirement obligation	-	1,026,207	-	1,026,207	-
IEPA loan payable	-	8,276,964	-	8,276,964	-
General obligation bonds payable	30,377,598	5,206,153	-	35,583,751	-
Total long-term liabilities	32,262,771	16,303,906	48,822	48,615,499	-
Total liabilities	37,120,010	19,779,993	183,979	57,083,982	2,218,129
DEFERRED INFLOWS OF RESOURCES					
Pension items - IMRF	2,317	2,095	86	4,498	-
OPEB items	390,550	322,469	-	713,019	-
Leases	-	811,544	-	811,544	-
Total deferred inflows of resources	392,867	1,136,108	86	1,529,061	-
Total liabilities and deferred inflows of resources	37,512,877	20,916,101	184,065	58,613,043	2,218,129
NET POSITION					
Net investment in capital assets	44,420,906	83,001,039	7,855,018	135,276,963	-
Restricted - perpetual care	-	-	519,801	519,801	-
Unrestricted	12,107,041	1,078,383	2,264,109	15,449,533	2,818,276
TOTAL NET POSITION	\$ 56,527,947	\$ 84,079,422	\$ 10,638,928	\$ 151,246,297	\$ 2,818,276

See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended April 30, 2025

	Business-Type Activities			Governmental	
	Electric	Waterworks and Sewerage	Nonmajor Funds	Internal Service Funds	
OPERATING REVENUES					
Charges for services	\$ 33,007,572	\$ 11,776,085	\$ 989,840	\$ 45,773,497	\$ 815,681
Service fees	26,250	391,784	-	418,034	-
Fines and forfeitures	150,924	84,948	-	235,872	-
Miscellaneous	206,705	150,854	30,372	387,931	-
Total operating revenues	33,391,451	12,403,671	1,020,212	46,815,334	815,681
OPERATING EXPENSES					
Operations	3,039,107	-	673,959	3,713,066	881,689
Water production	-	252,775	-	252,775	-
Water distribution	-	2,055,249	-	2,055,249	-
Water treatment	-	1,487,497	-	1,487,497	-
Wastewater treatment	-	1,393,281	-	1,393,281	-
Wastewater collection	-	1,341,650	-	1,341,650	-
Industrial wastewater	-	190,316	-	190,316	-
GIS	120,025	139,758	-	259,783	-
Electric purchases	24,936,184	-	-	24,936,184	-
Electric generation	801,471	-	-	801,471	-
Fiber optics	7,983	-	-	7,983	-
New service	1,382	-	-	1,382	-
Customer accounting	413,310	-	-	413,310	-
Substations	107,654	-	-	107,654	-
Repairs and maintenance	501,910	1,025,708	-	1,527,618	-
Administration	1,595,196	-	161,382	1,756,578	13,624
Depreciation and amortization	2,076,851	3,644,171	369,946	6,090,968	-
Total operating expenses	33,601,073	11,530,405	1,205,287	46,336,765	895,313
OPERATING INCOME (LOSS)	(209,622)	873,266	(185,075)	478,569	(79,632)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	1,788,872	100,561	109,337	1,998,770	150,654
Intergovernmental	158,840	135,388	-	294,228	-
Gain on sale of capital assets	10,850	55,051	3,713	69,614	-
Other income	-	-	6,395	6,395	-
Interest and fiscal charges	(1,237,596)	(336,829)	-	(1,574,425)	-
Total non-operating revenues (expenses)	720,966	(45,829)	119,445	794,582	150,654
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	511,344	827,437	(65,630)	1,273,151	71,022
CONTRIBUTIONS					
Capital contributions	3,396,295	9,343,918	-	12,740,213	-
Total contributions	3,396,295	9,343,918	-	12,740,213	-
CHANGE IN NET POSITION	3,907,639	10,171,355	(65,630)	14,013,364	71,022
NET POSITION, MAY 1	52,620,308	73,908,067	10,704,558	137,232,933	2,747,254
NET POSITION, APRIL 30	\$ 56,527,947	\$ 84,079,422	\$ 10,638,928	\$ 151,246,297	\$ 2,818,276

See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2025

	Business-Type Activities				Governmental
	Electric	Waterworks and Sewerage	Nonmajor Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 32,808,999	\$ 11,996,192	\$ 950,102	\$ 45,755,293	\$ 76,341
Receipts from interfund services transactions	-	-	-	-	739,228
Receipts from miscellaneous	206,705	150,854	-	357,559	-
Payments to suppliers	(28,236,932)	(5,028,079)	(745,264)	(34,010,275)	(444,243)
Payments to employees	(3,177,122)	(2,943,126)	(50,571)	(6,170,819)	-
Net cash from operating activities	1,601,650	4,175,841	154,267	5,931,758	371,326
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
American Rescue Plan Act grant receipt	158,840	135,388	-	294,228	-
Net cash from noncapital financing activities	158,840	135,388	-	294,228	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(8,106,968)	(3,106,146)	-	(11,213,114)	-
Proceeds on sale of capital assets	10,850	55,051	3,713	69,614	-
Principal payments on long-term debt	(9,508)	(2,275,290)	-	(2,284,798)	-
Interest payments on long-term debt	(1,223,122)	(460,533)	-	(1,683,655)	-
Net cash from capital and related financing activities	(9,328,748)	(5,786,918)	3,713	(15,111,953)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	4,853,894	1,237,028	993,305	7,084,227	752,760
Purchase of investments	(1,870,863)	-	(1,091,787)	(2,962,650)	(1,127,023)
Interest received on investments	1,747,649	113,785	98,492	1,959,926	100,303
Net cash from investing activities	4,730,680	1,350,813	10	6,081,503	(273,960)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,837,578)	(124,876)	157,990	(2,804,464)	97,366
CASH AND CASH EQUIVALENTS, MAY 1	8,801,236	1,654,679	690,911	11,146,826	1,202,646
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 5,963,658	\$ 1,529,803	\$ 848,901	\$ 8,342,362	\$ 1,300,012

(This statement is continued on the following page.)

CITY OF GENEVA, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended April 30, 2025

	Business-Type Activities				Governmental
	Electric	Waterworks and Sewerage	Nonmajor Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (209,622)	\$ 873,266	\$ (185,075)	\$ 478,569	\$ (79,632)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization	2,076,851	3,644,171	369,946	6,090,968	-
Other non-operating revenues					
Other income	-	-	6,395	6,395	-
Changes in assets and liabilities					
Accounts receivable	(346,060)	(228,074)	(4,839)	(578,973)	(112)
Leases receivable	-	102,287	-	102,287	-
Other receivables	21	-	-	21	-
Prepaid expenses	81,580	495	(980)	81,095	-
Inventories	(243,468)	(49,882)	-	(293,350)	-
Accounts payable	(431,119)	(364,335)	21,739	(773,715)	(38,963)
Retainage payable	297,660	(142,757)	-	154,903	-
Accrued payroll	9,870	20,340	80	30,290	-
Due to others	29,585	(1,700)	-	27,885	-
Claims payable	-	-	-	-	463,078
Unearned revenue	(29,708)	(29,398)	(71,666)	(130,772)	-
Deferred leases	-	(101,440)	-	(101,440)	-
Pension amounts	360,170	325,518	13,398	699,086	-
Other postemployment benefits liability	(13,656)	(13,233)	-	(26,889)	-
Compensated absences	19,546	140,583	5,269	165,398	26,955
NET CASH FROM OPERATING ACTIVITIES	\$ 1,601,650	\$ 4,175,841	\$ 154,267	\$ 5,931,758	\$ 371,326
CASH AND INVESTMENTS					
Cash and cash equivalents	\$ 5,963,658	\$ 1,529,803	\$ 848,901	\$ 8,342,362	\$ 1,300,012
Investments - restricted	22,864,760	-	-	22,864,760	-
Investments	5,564,853	483,862	2,024,902	8,073,617	3,632,167
TOTAL CASH AND INVESTMENTS	\$ 34,393,271	\$ 2,013,665	\$ 2,873,803	\$ 39,280,739	\$ 4,932,179
NONCASH TRANSACTIONS					
Contributed capital assets	\$ 3,396,295	\$ 9,343,918	\$ -	\$ 12,740,213	\$ -
Capital assets in retainage and accounts payable	758,086	153,797	-	911,883	-
Unrealized gains/losses	246,203	(13,204)	10,912	243,911	3,534
TOTAL NONCASH TRANSACTIONS	\$ 4,400,584	\$ 9,484,511	\$ 10,912	\$ 13,896,007	\$ 3,534

See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

April 30, 2025

	Pension Trust	Custodial Fund
ASSETS		
Cash and short-term investments	\$ 922,646	\$ 3,774,240
Investments held in the Illinois Police Officer's Pension Investment Fund	34,189,461	-
Investments held in the Illinois Firefighters' Pension Investment Fund	22,128,251	-
Receivables		
Accrued interest	-	94,382
Prepaid expenses	7,853	3,525
Due from other governments	-	480,913
Capital assets (net of accumulated depreciation and amortization)	-	3,949,473
	<u>57,248,211</u>	<u>8,302,533</u>
Total assets		
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	-	650,157
Pension items - OPEB	-	105,977
	<u>-</u>	<u>756,134</u>
Total deferred outflows of resources		
	<u>57,248,211</u>	<u>9,058,667</u>
LIABILITIES		
Accounts payable	2,545	232,663
Accrued payroll	-	178,331
Unearned revenue	-	48,000
Compensated absences payable	-	621,308
Accrued interest payable	-	9,363
Total other postemployment liability	-	219,892
Net pension liability	-	910,513
Installment contract payable	-	142,703
Debt certificate payable	-	337,062
	<u>2,545</u>	<u>2,699,835</u>
Total liabilities		
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	-	2,232
Pension items - OPEB	-	136,932
	<u>-</u>	<u>139,164</u>
Total deferred inflows of resources		
	<u>2,545</u>	<u>2,838,999</u>
NET POSITION		
Restricted for pensions	57,245,666	-
Restricted for Tri-Com Central Dispatch	-	6,219,668
	<u>\$ 57,245,666</u>	<u>\$ 6,219,668</u>
TOTAL NET POSITION		

See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

For the Year Ended April 30, 2025

	Pension Trust	Custodial Fund
ADDITIONS		
Contributions		
Employer contributions	\$ 3,351,732	\$ -
Employee contributions	680,616	-
Wireless 911	-	2,539,800
Dispatch services	-	2,445,883
Reimbursed expenses	-	668,374
	4,032,348	5,654,057
Investment income		
Net appreciation in fair value of investments	4,549,369	-
Interest	615,030	145,074
	5,164,399	145,074
Total investment income	5,164,399	145,074
Less investment expense	(56,950)	-
	5,107,449	145,074
Net investment income	5,107,449	145,074
	9,139,797	5,799,131
DEDUCTIONS		
Benefits and refunds	3,701,950	-
Administration	76,892	914,568
Operations	-	4,827,181
Interest and fiscal charges	-	25,083
Depreciation and amortization	-	732,060
	3,778,842	6,498,892
Total deductions	3,778,842	6,498,892
CHANGE IN NET POSITION	5,360,955	(699,761)
RESTRICTED NET POSITION		
May 1	51,884,711	6,919,429
April 30	\$ 57,245,666	\$ 6,219,668

See accompanying notes to financial statements.

CITY OF GENEVA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Geneva, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Reporting Entity

The City, founded in 1835, is located in the Fox River Valley, approximately 40 miles west of Chicago, Illinois. The City is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time-to-time.

The City operates under a Mayor-Council form of government. Policy making and legislative authority are vested in the governing council (Council) consisting of the Mayor and ten other members. The Mayor is elected at large while the Council is elected by ward. Council members serve four-year terms, with five members elected every two years. The Mayor is elected for a four-year term. The Mayor, with the advice and consent of Council, appoints the City Administrator, City Attorney and Department Heads.

The City is one of three municipalities in what is commonly referred to as the Tri-City Metropolitan Area, others being the cities of Batavia and St. Charles. The 2020 Bureau of the Census data indicated the City to have a population of 21,393.

The City provides the following services as authorized by its charter: public safety (police and fire); refuse collection; snow and leaf removal; traffic control; on and off-street parking; building inspections; licenses and permits; construction and maintenance of streets and other infrastructure; cemetery maintenance; water and sewer service; and electric service. As required by GAAP, these financial statements present the City (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. The City reports two fiduciary component units, the Police Pension Fund and the Firefighters' Pension Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement Systems (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected pension beneficiary and two active elected police employees constitute the pension board. The City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the city is authorized to approve the actuarial assumptions used in the determination of contribution levels. Accordingly, the PPERS is fiscally dependent on the City. Separate financial statements are not available for the PPERS.

Firefighters' Pension Employees Retirement System

The City's firefighters participate in the Firefighters' Pension Employees Retirement Systems (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one elected pension beneficiary and two elected firefighters constitute the pension board. The City and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Accordingly, the FPERS is fiscally dependent on the City. Separate financial statements are not available for the FPERS.

b. Fund Accounting

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain city functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The City utilizes pension trust funds and custodial funds which are generally used to account for assets that the City holds in a fiduciary capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity other than interfund service transactions has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the supplementary information.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Infrastructure Capital Projects Fund accounts for non-home rule sales tax used to fund major projects in the City.

The City reports the following major proprietary funds:

The Electric Fund accounts for the provision of electric services to the residents of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

The Waterworks and Sewerage Fund accounts for the provision of potable water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the City reports the following internal services funds:

The Group Dental Insurance Fund, Workers' Compensation Insurance Fund, and Compensated Absences Fund are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

The City reports pension trust funds as fiduciary component units to account for the Police Pension Fund and Firefighters' Pension Fund. Furthermore, the City reports the following custodial fund as a fiduciary fund: Tri-Com Central Dispatch.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Operating revenues/expenses include all revenues/expenses directly related to providing proprietary fund services. Incidental revenues/expenses are reported as non-operating. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Sales and use taxes, utility taxes, state income taxes, franchise fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source within 90 days of year end. All other revenue items are considered to be measurable and available only when cash is received by the City.

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the eligibility criterion.

The City reports unearned revenue and deferred/unavailable revenue on its financial statements. Unearned revenue and deferred/unavailable revenue arises when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenue also arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow of resources for unearned revenue or deferred/unavailable revenue is removed from the financial statements and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's proprietary funds consider their equity in pooled cash and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the financial statements. Interfund loans, if any, are classified as advances to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

g. Property Taxes

Property taxes for 2024 attach as an enforceable lien on January 1, 2024 on property values assessed as of the same date. Taxes are levied by December of the same fiscal year (by passage of a Tax Levy Ordinance). Tax bills are payable in two installments on June 2, 2025 and September 2, 2025 subsequent to the year of levy. The County collects such taxes and remits them periodically between May and November.

The City has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2024 tax levy has been recorded as deferred/unavailable revenue on the financial statements.

The 2025 tax levy has not been recorded as a receivable at April 30, 2025, as the tax attached as a lien on property as of January 1, 2025; however, the tax will not be levied until December 2025 and, accordingly, is not measurable at April 30, 2025.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Inventories

Inventories are valued at cost using the average unit cost method and consist of expendable supplies and merchandise. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

i. Prepaid Items/Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/items in both the government-wide and fund financial statements. Prepaid items in the governmental fund financial statements are classified as nonspendable fund balance. The cost of prepaid expenses/items is recorded as expenditures/expenses when consumed rather than when purchased.

j. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, storm sewers and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as having a useful life greater than one year with an initial, individual cost of more than \$50,000 for streets, bridges and storm sewers, \$20,000 for sidewalks and \$5,000 for all other capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Land improvements	20
Infrastructure	20-50
Production and distribution system	20-50
Machinery and equipment	4-20
Intangible assets	1-10

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

Intangible assets represent the City's right-to-use a leased asset. These intangible assets, as defined by GASB Statement No. 87, *Leases*, are for lease contracts of nonfinancial assets including vehicles and equipment.

k. Compensated Absences

Vacation

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from city service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirement. The liability for compensated absences includes salary related benefits, where applicable.

Sick Leave

Accumulated sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists, except in cases of retirement in which they would receive payment.

For the year ended April 30, 2025, the City began recording sick time in their compensated absences balance in accordance with GASB Statement No. 101, *Compensated Absences*. The balance is recorded based on the average usage and average pay rate by functional allocation. As a result of the implementation of GASB Statement No. 101, *Compensated Absences*, beginning net position was not required to be restated as the amounts were determined to be immaterial.

l. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts and accounting gains/losses on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Long-Term Obligations (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

m. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City's Administrator and Finance Director. Any outstanding residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund, is reported as unassigned. The General Fund, Electric Fund and Waterworks and Sewerage Fund have a target unassigned fund balance of 25% of operating expenditures.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

None of the restricted net position or restricted fund balances resulted from enabling legislation adopted by the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

o. Interfund Transactions

Interfund services are accounted for as revenues or expenditures/expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

p. Self-Insurance

The City is self-insured to certain limits for dental and workers' compensation insurance. A liability is recorded when it is probable that a loss has occurred and that the amount of the loss can be reasonably estimated. Claims liabilities are based on estimates of the ultimate costs of reported claims including future claims and adjustment expenses. Dental and workers' compensation claims are paid out of their respective funds.

q. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The City and pension funds categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

a. City Investments

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. The deposits and investments of the pension trust funds are held separately from those of other funds and are controlled by the respective pension boards.

The City's investment policy authorizes the City to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, The Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value). The City's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security, safety and risk avoidance while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, of the fair market value of the funds secured, with the collateral held by the City or an independent third party in the City's name.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Investments (Continued)

Investments

The following table presents the investments and maturities of the City's debt securities as of April 30, 2025:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury and agency securities	\$ 22,206,482	\$ 16,877,265	\$ 5,329,217	\$ -	\$ -
Corporate bonds	9,314,835	6,712,584	2,602,251	-	-
Negotiable CDs	7,150,435	4,757,866	2,392,569	-	-
TOTAL	\$ 38,671,752	\$ 28,347,715	\$ 10,324,037	\$ -	\$ -

In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds. The investment policy limits the maximum maturity length of investments to three years from date of purchase unless matched to a specific cash flow. Investments in reserve funds may be purchased with maturities to match future projects or liability requirements.

The City has the following recurring fair value measurements as of April 30, 2025:

The U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs) for investments with maturities less than one year and are valued using quoted matrix pricing models (Level 2 inputs) for investments greater than one year. The U.S. agency obligations, corporate bonds and negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs).

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and agency obligations, corporate bonds rated as investment grade by one of the two largest rating services and negotiable certificates of deposit. The U.S. agency obligations are rated AAA. The corporate bonds are rated A to BBB+. The negotiable CDs and money market mutual funds are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. City Investments (Continued)

Investments (Continued)

To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the City's name. The money market funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. The City's investment policy requires diversification to the best of its abilities based on the type of funds invested and the cash flow needs of those funds.

The City had no investments in excess of 5% of total investments.

3. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2025:

GOVERNMENTAL ACTIVITIES

Sales tax	\$ 1,814,658
Non-Home Rule sales tax	1,468,890
Local use tax	39,926
Motor fuel tax	77,321
Simplified telecommunications tax	77,417
State highway maintenance	<u>27,114</u>

TOTAL GOVERNMENTAL ACTIVITIES \$ 3,505,326

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2025 is as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Tangible capital assets not being depreciated				
Land	\$ 14,984,858	\$ 537,100	\$ -	\$ 15,521,958
Construction in progress	2,149,391	1,192,795	67,564	3,274,622
Total tangible capital assets not being depreciated	17,134,249	1,729,895	67,564	18,796,580
Tangible capital assets being depreciated				
Buildings	15,388,679	67,564	-	15,456,243
Machinery and equipment	1,860,498	653,587	-	2,514,085
Vehicles	7,172,843	1,491,998	414,802	8,250,039
Land improvements	2,851,622	96,529	-	2,948,151
Infrastructure	139,160,314	6,077,402	-	145,237,716
Total tangible capital assets being depreciated	166,433,956	8,387,080	414,802	174,406,234
Intangible capital assets being amortized				
Machinery and equipment	54,027	109,965	42,288	121,704
Vehicles	142,800	-	142,800	-
Total intangible capital assets being amortized	196,827	109,965	185,088	121,704
Less accumulated depreciation for				
Buildings	8,615,092	300,796	-	8,915,888
Machinery and equipment	1,374,075	140,766	-	1,514,841
Vehicles	4,917,251	597,574	414,802	5,100,023
Land improvements	1,510,747	154,306	-	1,665,053
Infrastructure	110,387,553	420,723	-	110,808,276
Total accumulated depreciation	126,804,718	1,614,165	414,802	128,004,081
Less accumulated amortization for				
Machinery and equipment	32,888	30,221	42,288	20,821
Vehicles	95,200	47,600	142,800	-
Total accumulated amortization	128,088	77,821	185,088	20,821
Total tangible and intangible capital assets being depreciated and amortized, net	39,697,977	6,805,059	-	46,503,036
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 56,832,226	\$ 8,534,954	\$ 67,564	\$ 65,299,616

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to governmental activities functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 124,513
Public safety	376,258
Public works, including general infrastructure assets	652,381
Community development	7,949
Highway and streets	<u>453,064</u>

**TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES**

\$ 1,614,165

GOVERNMENTAL ACTIVITIES

General government	\$ 30,221
Public safety	23,800
Public works	<u>23,800</u>

**TOTAL AMORTIZATION EXPENSE -
GOVERNMENTAL ACTIVITIES**

\$ 77,821

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Tangible capital assets not being depreciated				
Land	\$ 2,003,607	\$ -	\$ -	\$ 2,003,607
Construction in progress	3,625,693	8,673,351	134,867	12,164,177
Total tangible capital assets not being depreciated	<u>5,629,300</u>	<u>8,673,351</u>	<u>134,867</u>	<u>14,167,784</u>
Tangible capital assets being depreciated				
Electric system, buildings and equipment	79,461,560	5,564,102	36,357	84,989,305
Water and sewer plant, system and sewers	154,883,966	10,405,363	132,172	165,157,157
Cemetery buildings and equipment	74,344	-	-	74,344
Commuter parking lots and vehicles	13,237,963	-	-	13,237,963
Total tangible capital assets being depreciated	<u>247,657,833</u>	<u>15,969,465</u>	<u>168,529</u>	<u>263,458,769</u>
Intangible capital assets being amortized				
Vehicles and equipment	131,111	-	112,986	18,125
Total intangible capital assets being amortized	<u>131,111</u>	<u>-</u>	<u>112,986</u>	<u>18,125</u>

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES (Continued)				
Less accumulated depreciation for				
Electric system, buildings and equipment	\$ 41,035,204	\$ 2,067,027	\$ 36,357	\$ 43,065,874
Water and sewer plant, system and sewers	66,249,906	3,587,476	132,172	69,705,210
Cemetery buildings and equipment	68,762	3,717	-	72,479
Commuter parking lots and vehicles	5,047,237	366,229	-	5,413,466
Total accumulated depreciation	<u>112,401,109</u>	<u>6,024,449</u>	<u>168,529</u>	<u>118,257,029</u>
Less accumulated amortization for				
Vehicles and equipment	84,386	42,194	112,986	13,594
Total accumulated amortization	<u>84,386</u>	<u>42,194</u>	<u>112,986</u>	<u>13,594</u>
 Total tangible and intangible capital assets being depreciated and amortized, net	 <u>135,303,449</u>	 <u>9,902,822</u>	 <u>-</u>	 <u>145,206,271</u>
 BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 140,932,749</u>	<u>\$ 18,576,173</u>	<u>\$ 134,867</u>	<u>\$ 159,374,055</u>

Depreciation and amortization expense was charged to the functions/programs of the business-type activities as follows:

BUSINESS-TYPE ACTIVITIES		
Waterworks and sewerage		\$ 3,587,476
Electric		2,067,027
Commuter parking		366,229
Cemetery		<u>3,717</u>
 TOTAL DEPRECIATION EXPENSE -		
 BUSINESS-TYPE ACTIVITIES		<u>\$ 6,024,449</u>
 BUSINESS-TYPE ACTIVITIES		
Waterworks and sewerage		\$ 32,370
Electric		<u>9,824</u>
 TOTAL AMORTIZATION EXPENSE -		
 BUSINESS-TYPE ACTIVITIES		<u>\$ 42,194</u>

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

a. Alternate Revenue Bonds

The City has also issued general obligation alternate revenue bonds where the City has pledged certain revenues from the electric and waterworks and sewerage system and/or property tax revenues for the payment of bond principal and interest. Alternate revenue bonds are direct obligations and pledge the full faith and credit of the City.

Alternate revenue bonds currently outstanding are as follows:

	Fund Debt Retired by	Balances May 1	Additions	Retirements/ Refunding	Balances April 30	Current Portion
\$10,885,000 General Obligation Alternate Revenue Refunding Bonds Series of 2021, due in semiannual installments of \$615,000 to \$1,795,000, plus interest of 4% payable each February 1 and August 1 through February 1, 2030.	Waterworks and Sewerage	\$ 7,925,000	\$ -	\$ 1,710,000	\$ 6,215,000	\$ 1,765,000
\$27,615,000 General Obligation Alternate Revenue Bonds Series of 2024, due in semiannual installments of \$1,000,000 to \$2,225,000, plus interest of 4.125% to 5.000% payable each February 1 and August 1 through February 1, 2044.	Electric	27,615,000	-	-	27,615,000	-
TOTAL		\$ 35,540,000	\$ -	\$ 1,710,000	\$ 33,830,000	\$ 1,765,000

b. Illinois Environmental Protection Agency Loans

The City, through the Illinois Environmental Protection Agency (IEPA), received low interest loans for the construction of waterworks and sewerage facilities systems. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
IEPA Water Series of 2017 due in semiannual installments of \$341,156 including interest at 1.56% through June 20, 2036.	Waterworks and Sewerage	\$ 9,362,105	\$ -	\$ 538,355	\$ 8,823,750	\$ 546,786
TOTAL		\$ 9,362,105	\$ -	\$ 538,355	\$ 8,823,750	\$ 546,786

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

c. Installment Contracts

The City is committed under an installment contract for the following vehicle purchase:

Issue	Fund Debt Retired by	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
Vehicles	Capital Equipment	\$ 671,881	\$ -	\$ 162,406	\$ 509,475	\$ 166,060
TOTAL		\$ 671,881	\$ -	\$ 162,406	\$ 509,475	\$ 166,060

d. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities	
	Installment Contracts	
	Principal	Interest
2026	\$ 166,060	\$ 11,465
2027	169,797	7,728
2028	173,618	3,907
TOTAL	\$ 509,475	\$ 23,100

Fiscal Year	Business-Type Activities			
	General Obligation Alternate Revenue Source Bonds		IEPA Loans Payable	
	Principal	Interest	Principal	Interest
2026	\$ 1,765,000	\$ 1,566,900	\$ 546,786	\$ 135,526
2027	2,795,000	1,496,300	555,349	126,963
2028	2,440,000	1,374,500	564,046	118,266
2029	1,715,000	1,266,450	572,880	109,433
2030	1,800,000	1,186,850	581,852	100,461
2031	1,215,000	1,103,300	590,964	91,348
2032	1,250,000	1,066,850	600,219	82,093
2033	1,310,000	1,004,350	609,619	72,694
2034	1,375,000	938,850	619,166	63,146

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity (Continued)

Fiscal Year	Business-Type Activities (Continued)			
	General Obligation Alternate Revenue		IEPA Loans Payable	
	Source Bonds		Principal	Interest
	Principal	Interest		
2035	\$ 1,445,000	\$ 870,100	\$ 628,863	\$ 53,450
2036	1,520,000	797,850	638,711	43,601
2037	1,595,000	721,850	648,714	33,598
2038	1,675,000	642,100	658,873	23,439
2039	1,755,000	558,350	669,192	13,121
2040	1,845,000	470,600	338,516	2,641
2041	1,935,000	378,350	-	-
2042	2,035,000	281,600	-	-
2043	2,135,000	179,850	-	-
2044	2,225,000	91,781	-	-
TOTAL	\$ 33,830,000	\$ 15,996,781	\$ 8,823,750	\$ 1,069,780

e. Leases

In accordance with GASB Statement No. 87, *Leases*, the City's lessee activity is as follows:

Governmental Activities

The City has entered into three lease arrangements for the right-to-use office equipment (copier and postage machine). Payments ranging from \$208 to \$1,862 are due in monthly installments through September 15, 2029. The total intangible right-to-use assets acquired under these arrangements is \$121,705 for governmental activities. Total principal payments made during the fiscal year on this arrangement was \$25,120. As of April 30, 2025, the lease liability associated with this arrangement is \$100,614.

The City has entered into various lease arrangements for the right-to-use vehicles. Payments ranging from \$382 to \$717 are due in monthly installments through January 31, 2025. Total principal payments made during the fiscal year on this arrangement was \$37,807. As of April 30, 2025, the lease has concluded, and there is no right-to-use asset or remaining liability.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

e. Leases (Continued)

Business-Type Activities

The City has entered into various lease arrangements for the right-to-use vehicles for the waterworks and sewerage fund operations. Payments ranging from \$590 to \$670 are due in monthly installments through March 31, 2025. Total principal payments made during the fiscal year on this arrangement was \$26,935. As of April 30, 2025, the lease has concluded, and there is no right-to-use asset or remaining liability.

The City has entered into various lease arrangements for the right-to-use vehicles for the electric fund operations. Payments ranging from \$493 to \$510 are due in monthly installments through June 30, 2025. The total intangible right-to-use assets acquired under these arrangements is \$18,125 for business-type activities. Total principal payments made during the fiscal year on this arrangement was \$9,508. As of April 30, 2025, the lease liability associated with this arrangement is \$926.

Obligations of governmental activities and business-type activities under lease liabilities, typically paid from the General Fund, Capital Equipment Fund, Waterworks/Sewerage Fund and Electric Fund, including future interest payments at April 30, 2025, were as follows:

Year Ending April 30,	Lease Payable						
	Governmental Activities			Business-Type Activities			
	Principal	Interest	Total	Principal	Interest	Total	
2026	\$ 25,578	\$ 763	\$ 26,341	\$ 926	\$ 60	\$ 986	
2027	24,981	1,360	26,341	-	-	-	
2028	21,376	1,596	22,972	-	-	-	
2029	20,342	2,007	22,349	-	-	-	
2030	8,337	975	9,312	-	-	-	
TOTAL	\$ 100,614	\$ 6,701	\$ 107,315	\$ 926	\$ 60	\$ 986	

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

f. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term liabilities for governmental activities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
Installment contract	\$ 671,881	\$ -	\$ 162,406	\$ 509,475	\$ 166,060
Leases payable	53,576	109,965	62,927	100,614	25,578
Compensated absences payable - governmental (General) funds*	1,321,489	66,616	-	1,388,105	-
Compensated absences payable - internal service funds*	1,219,586	26,955	-	1,246,541	1,246,541
Net pension liability - IMRF	1,516,611	-	31,727	1,484,884	-
Net pension liability - Police	24,810,272	-	711,731	24,098,541	-
Net pension liability - Fire	11,598,342	-	932,592	10,665,750	-
Total OPEB liability	2,611,600	3,592	-	2,615,192	160,856
TOTAL	\$ 43,803,357	\$ 207,128	\$ 1,901,383	\$ 42,109,102	\$ 1,599,035

The total OPEB liability and net pension liabilities of governmental activities will be liquidated by the General Fund or by the respective fund (Internal Service or Special Revenue) to which the related employee's salary is paid.

*The amount presented as issuances or retirements is presented net of the change in liability.

During the fiscal year, the following changes occurred in long-term liabilities for business-type activities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General obligation alternate revenue bonds payable	\$ 35,540,000	\$ -	\$ 1,710,000	\$ 33,830,000	\$ 1,765,000
Unamortized (discount) premium on bonds payable	3,726,799	-	208,048	3,518,751	-
IEPA loans payable	9,362,105	-	538,355	8,823,750	546,786
Leases payable	37,369	-	36,443	926	926
Net pension liability - IMRF	1,874,277	-	39,208	1,835,069	-
Compensated absences payable*	1,037,798	165,398	-	1,203,196	531,338
Asset retirement obligation	1,026,207	-	-	1,026,207	-
Total OPEB liability	1,294,665	1,677	-	1,296,342	74,692
TOTAL	\$ 53,899,220	\$ 167,075	\$ 2,532,054	\$ 51,534,241	\$ 2,918,742

5. LONG-TERM DEBT (Continued)

f. Changes in Long-Term Liabilities (Continued)

The total OPEB liability and net pension liability of the business-type activities will be liquidated by the respective enterprise fund.

*The amount presented as issuances or retirements is presented net of the change in liability.

g. Legal Debt Margin

The City is subject to a legal debt limit which is 8.625% of the Estimated Actual Valuation (EAV). At April 30, 2025, that amount was \$106,814,331, and no outstanding debt was applicable to the limit.

h. Alternate Revenue Source Bonds

The City issued General Obligation Alternate Revenue Bonds, Series 2021 to refund General Obligation Alternate Revenue Bonds, Series 2012B. These bonds are payable from a pledge of the City's waterworks and sewerage revenues and are being repaid by the Waterworks and Sewerage Fund. The bonds are payable solely from waterworks and sewerage revenues and are payable through 2030. The total principal and interest remaining to be paid on the bonds as of April 30, 2025 is \$6,824,000. Principal and interest paid for the current year was \$2,027,000 or 17.21% of total customer net revenues of \$11,776,085.

The City issued General Obligation Alternate Revenue Bonds, Series 2024, to expand the electric system. These bonds are payable from a pledge of the City's electric revenues and are being repaid by the Electric Fund. The bonds are payable solely from electric revenues and are payable through 2044. The total principal and interest remaining to be paid on the bonds as of April 30, 2025 is \$43,002,781. Interest paid for the current year was \$1,223,089 or 3.71% of total customer net revenues of \$33,007,572.

i. Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using engineer's estimated costs for similar abandonments, adjusted for inflation through the beginning of the year. The estimated remaining useful lives of the water wells range from 4 to 47 years.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT

The City is exposed to various risks including, but not limited to, losses from workers' compensation, employee health and general liability/property. The City purchases insurance from outside carriers for all types of coverage except for dental claims and workers' compensation claims up to a maximum of \$500,000 per claim. The City has purchased reinsurance for any claims that exceed the \$500,000 amount. There have been no settlements in excess of insurance coverage in any of the three prior fiscal years.

The City has established internal service funds to account for these activities and are funded by charges to the City's other funds and is based on dental insurance rates and the contributing funds' employees' risk assessment. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs).

The City has recorded a liability for claims which were reported but unpaid as of the end of the fiscal year as well as an estimated liability for claims incurred but not reported. A reconciliation of claims payable for the fiscal years ended April 30, 2025 and 2024 is as follows:

	2025	2024
CLAIMS PAYABLE, MAY 1	\$ 469,568	\$ 327,160
Add claims incurred	1,008,838	615,694
Less claims paid	545,760	473,286
CLAIMS PAYABLE, APRIL 30	<u>\$ 932,646</u>	<u>\$ 469,568</u>

7. INDIVIDUAL FUND DISCLOSURES

Advances from/to other funds at April 30, 2025 consisted of the following:

Fund	Advance From	Advance To
General	\$ -	\$ 488,906
Nonmajor Governmental	488,906	-
TOTAL	<u>\$ 488,906</u>	<u>\$ 488,906</u>

The purposes of the advances from/to other funds are as follows:

- \$464,390 advanced from the General Fund to the Nonmajor Governmental Funds (TIF #3) is to cover temporary operating deficits. Repayment is not expected within one year.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES (Continued)

- \$24,516 advanced from the General Fund to the Nonmajor Governmental Funds (TIF#4) is to cover temporary operating deficits. Repayment is not expected within one year.

Due to/from other funds at April 30, 2025 consisted of the following:

Fund	Receivable Fund	Payable Fund
General	\$ -	\$ 2,650,000
Nonmajor Governmental	2,650,000	-
TOTAL	\$ 2,650,000	\$ 2,650,000

The purposes of the due to/from other funds are as follows:

- \$2,650,000 is due to the Nonmajor Governmental Funds (General Capital Projects) from the General Fund for capital improvements and purchases. Repayment is expected within one year.

Interfund transfers during the year ended April 30, 2025 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental	\$ -	\$ 4,650,000
Infrastructure Capital Projects		
Nonmajor Governmental	416,907	-
Nonmajor Governmental		
General	4,650,000	-
Infrastructure Capital Projects	-	416,907
TOTAL	\$ 5,066,907	\$ 5,066,907

Major interfund transfers resulted from the following:

- \$4,650,000 transfer from the General Fund to Nonmajor Governmental Funds. This transaction includes a payment to the Capital Equipment Fund and General Capital Projects Fund for capital equipment and improvements. These transfers will not be repaid.
- \$416,907 transfer from the Nonmajor Governmental Funds to Infrastructure Capital Projects. This transaction includes a payment from the Motor Fuel Tax Fund for roadway improvements. This transfer will not be repaid.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES (Continued)

The following fund reported a deficit fund balances at April 30, 2025:

Fund	Deficit Balance
TIF #3 (Fox River Redevelopment Project Area)	\$ 264,486
TIF #4 (South East Development Project Area)	24,516

8. CONTINGENT LIABILITIES

a. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

b. Economic Development Incentives

The City rebates sales taxes to recruit, retain or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

The City has entered into 11 agreements with entities in the City of Geneva where the City will be providing support via historic renovation grants in an effort to support investment in Geneva’s historic downtown. Ten of the agreements have start dates of September 1, 2025, and one of the agreements has a start date of November 1, 2025. All agreements have end dates of December 31, 2025. As part of the incentive agreements, the City is expected to provide anticipated incentive of \$552,729, contingent upon successful completion of the related projects as documented in the terms of each individual incentive agreement.

The City has entered into several agreements outstanding at April 30, 2025, expiring through December 31, 2040. These agreements provide for the City to reimburse the respective companies a percentage of the actual sales taxes collected from these companies. As of and for the year ended April 30, 2025, payments of \$115,563 have been made under these agreements. As of April 30, 2025, the City has incurred total incentives of \$700,699.

9. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the City’s single-employer defined benefit plan, Retiree Health Plan, provides postemployment health care and life insurance benefits (OPEB) for eligible retirees and their spouses through the City’s group health insurance plan, which covers both active and retired members participating in the plan at blended rates. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

b. Benefits Provided

Benefit provisions are established through the City’s personnel manual and union contracts and state that eligible retirees and their spouses receive lifetime healthcare insurance at established contribution rates. To be eligible for benefits, an employee employees, with certain exceptions, are required to pay 100% of the premiums for such coverage. This results in another postemployment benefit for the retirees, commonly referred to as an implicit rate subsidy. Certain inactive employees qualify for lifetime healthcare benefits under the Public Safety Employee Benefits Act (PSEBA). The City pays the full cost of coverage, including any eligible dependent coverage up until the age of 65.

c. Membership

At April 30, 2024 (most recent data available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	36
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>145</u>
TOTAL	<u><u>181</u></u>
Participating employers	<u><u>1</u></u>

d. Total OPEB Liability

The City’s total OPEB liability of \$3,911,534 was measured as of April 30, 2025 and was determined by an actuarial valuation as of April 30, 2024.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2025, as determined by an actuarial valuation as of April 30, 2024, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to April 30, 2025, including updating the discount rate at April 30, 2025, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	3.00%
Discount rate	4.64%
Healthcare cost trend rates	6.00% initial trend rate to 4.50% ultimate trend rate

The discount rate used in the determination of the total OPEB liability is based on the municipal bond rate. The municipal bond rate was based on the index rate for 20-year tax exempt general obligation municipal bonds rated AA or better at April 30, 2025.

Firefighters' and Police Pension Plan Participants

The PubS-2010 Mortality Table - Safety with Mortality Improvement using Scale MP-2020 was used.

IMRF Participants

For active employees, the PubG.H-2010(B) Mortality Table - General (below-median income) with future mortality improvement using Scale MP-2021 was used.

For retirees, the PubG.H-2010(B) Mortality Table - General (below-median income), Male adjusted 108.0% and Female adjusted 106.4% tables, with future mortality improvement using Scale MP-2021 was used.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4.50% to 6.00% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 5.00%) or 1 percentage point higher (5.50% to 7.00%) than the current rate:

	1% Decrease (3.50% to 5.00%)	Current Healthcare Rate (4.50% to 6.00%)	1% Increase (5.50% to 7.00%)
Total OPEB liability	\$ 3,592,104	\$ 3,911,534	\$ 4,308,808

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2025, the City recognized OPEB expense of \$153,526. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,111,479	\$ 46,768
Changes in assumption	773,682	2,389,036
TOTAL	\$ 1,885,161	\$ 2,435,804

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending April 30,	
2026	\$ (148,910)
2027	(148,910)
2028	(155,696)
2029	(223,356)
Thereafter	126,229
TOTAL	\$ (550,643)

10. DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by ILCS and can only be amended by the Illinois General Assembly. The Police Pension Plan and Firefighters' Pension Plan both do not issue separate reports.

The table below is a summary for all pension plans as of and for the year ended April 30, 2025:

	IMRF	Police Pension	Firefighters' Pension	Total
Net pension liability	\$ 3,319,953	\$ 24,098,541	\$ 10,665,750	\$ 38,084,244
Deferred outflows of resources	2,370,636	3,854,857	1,973,764	8,199,257
Deferred inflows of resources	8,138	488,109	563,940	1,060,187
Pension expense (income)	1,949,657	2,693,466	1,247,697	5,890,820

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration and Benefits Provided

IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or www.imrf.org. In addition, IMRF includes two employers, the City of Geneva and Tri-Com Central Dispatch (Tri-Com). Therefore, IMRF is treated as a cost-sharing plan.

All employees (other than those covered by the Police Pension Plan or the Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration and Benefits Provided (Continued)

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions are established by ILCS.

Plan Membership

At December 31, 2024 (most recent information available), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	142
Inactive employees entitled to but not yet receiving benefits	100
Active employees	123
TOTAL	365

The IMRF data included in the table above includes membership of both the City and Tri-Com Central Dispatch.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended April 30, 2025 was 7.37% of covered payroll.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2024
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2021.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	4.35%
International Equity	18.00%	5.40%
Fixed Income	24.50%	5.20%
Real Estate	10.50%	6.40%
Alternative Investments	12.50%	4.85% to 6.25%
Cash Equivalents	1.00%	3.60%
TOTAL	100.00%	

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	\$ 69,420,435	\$ 65,099,577	\$ 4,320,858
Changes for the period			
Service cost	966,144	-	966,144
Interest	4,945,737	-	4,945,737
Difference between expected and actual experience	632,041	-	632,041
Changes in assumptions	-	-	-
Employer contributions	-	834,946	(834,946)
Employee contributions	-	522,233	(522,233)
Net investment income	-	6,385,244	(6,385,244)
Benefit payments and refunds	(3,372,882)	(3,372,882)	-
Other (net transfer)	-	(1,108,109)	1,108,109
Net changes	3,171,040	3,261,432	(90,392)
BALANCES AT DECEMBER 31, 2024	\$ 72,591,475	\$ 68,361,009	\$ 4,230,466

Changes in assumptions were made to mortality and other demographic assumptions.

The table presented above includes amounts for both the City and Tri-Com. The City's proportionate share of the net pension liability at January 1, 2024, the employer contributions and the net pension liability at December 31, 2024 was \$3,390,888, \$655,266 and \$3,319,953, respectively. Tri-Com's proportionate share of the net pension liability at January 1, 2024, the employer contributions and the net pension liability at December 31, 2024 was \$929,970, \$179,680 and \$910,513, respectively.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2025, the City recognized pension expense of \$1,949,657.

At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 989,962	\$ -
Changes in assumption	-	8,138
Net difference between projected and actual earnings on pension plan investments	1,152,462	-
Contributions after measurement date	228,212	-
TOTAL	\$ 2,370,636	\$ 8,138

\$228,212 reported as deferred outflows of resources resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the City's fiscal year ending April 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending April 30,	
2026	\$ 1,135,411
2027	1,827,508
2028	(549,440)
2029	(279,193)
Thereafter	-
TOTAL	\$ 2,134,286

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset) (City)	\$ 10,055,257	\$ 3,319,953	\$ (2,016,715)
Net pension liability (asset) (Tri-Com)	2,757,252	910,513	(553,003)
Net pension liability (asset) (Total)	<u>\$ 12,812,509</u>	<u>\$ 4,230,466</u>	<u>\$ (2,569,718)</u>

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund.

The Police Pension Plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

The Police Pension Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At April 30, 2025, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	30
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>39</u>
TOTAL	<u><u>71</u></u>

Benefits Provided

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2040. For the fiscal year ended April 30, 2025, the City's contribution was 51.43% of covered payroll.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Police Pension Plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy requires pledging of collateral for all bank balances held in the Police Pension Plan's name in excess of federal depository insurance, at amounts ranging from 110% to 115% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2024. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Police Pension Plan held no investments subject to fair value measurement at April 30, 2025.

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IPOPIF was \$34,189,461 at April 30, 2025. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2025. The plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Rate of Return

For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2024	\$ 56,376,859	\$ 31,566,587	\$ 24,810,272
Changes for the period			
Service cost	913,318	-	913,318
Interest	3,785,655	-	3,785,655
Difference between expected and actual experience	121,892	-	121,892
Changes in assumptions	-	-	-
Employer contributions	-	2,140,574	(2,140,574)
Employee contributions	-	412,458	(412,458)
Buy back contributions	49,243	49,243	-
Net investment income	-	3,028,166	(3,028,166)
Benefit payments and refunds	(2,412,792)	(2,412,792)	-
Administrative expense	-	(48,602)	48,602
Net changes	2,457,316	3,169,047	(711,731)
BALANCES AT APRIL 30, 2025	\$ 58,834,175	\$ 34,735,634	\$ 24,098,541

The funded status as of April 30, 2025 is 59.04%.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2025 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Service-based rates
Interest rate	6.75%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

Mortality rates were based on PubS-2010 Mortality Table projected using improvement scale MP-2021.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 32,705,205	\$ 24,098,541	\$ 17,094,783

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2025, the City recognized police pension expense of \$2,693,466. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,436,742	\$ 324,798
Changes in assumption	1,848,862	163,311
Net difference between projected and actual earnings on pension plan investments	569,253	-
TOTAL	<u>\$ 3,854,857</u>	<u>\$ 488,109</u>

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

Year Ending <u>April 30,</u>	
2026	\$ 1,470,377
2027	595,257
2028	154,479
2029	288,232
2030	456,143
Thereafter	<u>402,260</u>
TOTAL	<u>\$ 3,366,748</u>

Firefighters' Pension Plan

Plan Administration

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Fund as a pension trust fund. The Firefighters' Pension Fund is governed by a five-member pension board. Two members of the Board of Trustees are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership

At April 30, 2025, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	17
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>22</u>
TOTAL	<u>44</u>

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded.

The annual benefit shall be increased by 2.50% of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ % for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% of $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City is funding using the entry age normal actuarial cost method to fund 100% of the past service cost by the year 2040. For the fiscal year ended April 30, 2025, the City's contribution was 53.29% of covered payroll.

Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the fund's deposits may not be returned to it. The fund's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 110% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investments

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2024. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at <https://ifpif.org>.

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Firefighters' Pension Plan held no investments subject to fair value measurement at April 30, 2025.

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IFPIF was \$22,128,251 at April 30, 2025. The pooled investments consist of the investments as noted in the target allocation table available at <https://ifpif.org>. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2025. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment Policy

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Rate of Return

For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2024	\$ 31,916,466	\$ 20,318,124	\$ 11,598,342
Changes for the period			
Service cost	566,041	-	566,041
Interest	2,149,060	-	2,149,060
Difference between expected and actual experience	(170,655)	-	(170,655)
Changes in assumptions	-	-	-
Employer contributions	-	1,211,158	(1,211,158)
Employee contributions	-	214,887	(214,887)
Buy back contributions	4,028	4,028	-
Net investment income	-	2,079,283	(2,079,283)
Benefit payments and refunds	(1,289,158)	(1,289,158)	-
Administrative expense	-	(28,290)	28,290
Net changes	1,259,316	2,191,908	(932,592)
BALANCES AT APRIL 30, 2025	\$ 33,175,782	\$ 22,510,032	\$ 10,665,750

The funded status as of April 30, 2025 is 67.85%.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2025 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Service-based rates
Interest rate	6.75%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010 Mortality Table projected using improvement scale MP-2021.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 15,659,877	\$ 10,665,750	\$ 6,619,623

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2025, the City recognized firefighters' pension expense of \$1,247,697.

At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 639,084	\$ 340,950
Changes in assumption	1,334,680	198,850
Net difference between projected and actual earnings on pension plan investments	-	24,140
TOTAL	\$ 1,973,764	\$ 563,940

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

Year Ending April 30,		
2026	\$	835,164
2027		334,386
2028		162,954
2029		126,078
2030		(24,379)
Thereafter		(24,379)
TOTAL		<u><u>\$ 1,409,824</u></u>

11. PENSION TRUST FUNDS

Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan.

a. Statement of Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 543,669	\$ 378,977	\$ 922,646
Investments in the Illinois Police Pension Investment Fund	34,189,461	-	34,189,461
Investments in the Illinois Firefighters' Pension Investment Fund	-	22,128,251	22,128,251
Prepaid expenses	4,000	3,853	7,853
Total assets	<u>34,737,130</u>	<u>22,511,081</u>	<u>57,248,211</u>
LIABILITIES			
Accounts payable	1,496	1,049	2,545
Total liabilities	<u>1,496</u>	<u>1,049</u>	<u>2,545</u>
NET POSITION	<u><u>\$ 34,735,634</u></u>	<u><u>\$ 22,510,032</u></u>	<u><u>\$ 57,245,666</u></u>

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. PENSION TRUST FUNDS (Continued)

Fiduciary Funds Summary Financial Information (Continued)

b. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Contributions - employer	\$ 2,140,574	\$ 1,211,158	\$ 3,351,732
Contributions - employee	461,701	218,915	680,616
Total contributions	<u>2,602,275</u>	<u>1,430,073</u>	<u>4,032,348</u>
Investment income			
Net appreciation in fair value of investments	2,858,413	1,690,956	4,549,369
Interest	191,632	423,398	615,030
Less investment expenses	(21,879)	(35,071)	(56,950)
Total investment income	<u>3,028,166</u>	<u>2,079,283</u>	<u>5,107,449</u>
Total additions	<u>5,630,441</u>	<u>3,509,356</u>	<u>9,139,797</u>
DEDUCTIONS			
Benefits and refunds	2,412,792	1,289,158	3,701,950
Administration	48,602	28,290	76,892
Total deductions	<u>2,461,394</u>	<u>1,317,448</u>	<u>3,778,842</u>
CHANGE IN NET POSITION	3,169,047	2,191,908	5,360,955
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	<u>31,566,587</u>	<u>20,318,124</u>	<u>51,884,711</u>
April 30	<u>\$ 34,735,634</u>	<u>\$ 22,510,032</u>	<u>\$ 57,245,666</u>

CITY OF GENEVA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the City’s lessor activity is as follows:

The City entered into five lease arrangements to lease cell tower property. For all lease arrangements, the City will be collecting payments, due in monthly or annual installments, ranging from \$3,602 to \$54,904, through July 2042. All lease arrangements are noncancelable. During the fiscal year, the City collected \$285,958 under these arrangements and recognized a \$246,790 reduction in the related deferred inflow of resources. As of April 30, 2025, the remaining lease receivable and offsetting deferred inflow of resource for these arrangements is \$1,690,161 and \$1,710,913, respectively.

The City entered into one lease arrangement to lease farmland. The City will be collecting payments, due in annual installments of \$33,075, through December 2025. The lease arrangement is noncancelable. During the fiscal year, the City collected \$33,186 under this arrangement and recognized a \$65,983 reduction in the related deferred inflow of resources. As of April 30, 2025, the remaining lease receivable and offsetting deferred inflow of resource for this arrangement is \$32,908 and \$54,985, respectively.

13. FUND BALANCE RESTATEMENTS

Change within Financial Reporting Entity

The City’s beginning fund balances were adjusted due to a change within the reporting entity, in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. The Infrastructure Capital Projects Fund was reported as nonmajor for the fiscal year ended April 30, 2024, and is reported as major for the fiscal year ended April 30, 2025. The effect of this change is as follows:

	<u>Infrastructure Capital Projects Fund</u>	
	<u>Major</u>	<u>Nonmajor</u>
	<u>Governmental</u>	<u>Governmental</u>
BEGINNING FUND BALANCE, AS REPORTED	\$ -	\$ 21,129,562
Change within financial reporting entity	5,311,983	(5,311,983)
Total net restatement	5,311,983	(5,311,983)
BEGINNING FUND BALANCE, AS RESTATED	<u>\$ 5,311,983</u>	<u>\$ 15,817,579</u>